

WISCONSIN PUBLIC HEALTH AND HEALTH POLICY INSTITUTE

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The Wisconsin Public Health and Health Policy Institute's E-News is delivered monthly. Check our web site for additional information and updates: <http://www.pophealth.wisc.edu/wphi/index.html>

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In This Issue

STATE NEWS

- DHFS submits budget request
- State legislative leaders announce health care initiatives for 2005-6
- Legislative audit of medical assistance program eligibility
- Senators Ellis and Cowles seek budget
- SE Wisconsin communities form insurance administrative consortium
- Impact of health insurance premium increases on school districts
- MPS teachers' proposal includes health care contributions
- Humana Plans "Consumer-Driven" Network
- Wisconsin hospitals now voluntarily reporting quality of care data
- Who should collect the health data?
- Medicare premiums to jump 17%
- Blue Cross/Blue Shield first round planning grants announced
- Governor Doyle announces members of Oral Health Task Force
- Wisconsin ranking of black infant mortality rate plummets.

RESEARCH AND PROGRAM TOOLS

- "[Trends in Americans' Access to Needed Medical Care, 2001-2003](#)"
- Detailed prescription drug data online
- New report maps women 's health in the United States

EVENTS

- **Health care forums for candidates**
- **Fall 2004 Seminars**

READING ROOM

- Air pollution effects lung development
- Policies to reduce racial and ethnic disparities in health
- Health insurance premiums increase
- Personal expenditures for health care skyrocket
- Many insured employees overburdened by out-of-pocket costs, study finds
- Drug studies must register prior to publication
- Better diabetes care found in VA hospitals
- Alcohol kills 75,000 annually, CDC reports
- Indian health care funds short

STATE NEWS

DHFS Submits Budget Request

DHFS's proposed budget for FY05-07 pledges to "maintain eligibility and benefits for health care to our neediest citizens." Providing continuation of benefits and eligibility in the three Medical Assistance programs, Medicaid, SeniorCare and BadgerCare, the budget calls for an increase in GPR expenditure of \$708 million. This is primarily due to a projected increase in enrollment in these programs and reductions in federal cost-sharing. The increase in total expenditures of 6.6% over the biennium does not include an increase for providers other than nominal increases for HMO capitation rates. Given the overall health care inflation rate, this will increase the growing payment disparity between MA and commercial insurance. The budget also provides a number of policy reforms. These including expanding BadgerCare to cover pre-natal care for non-qualified immigrant pregnant women, continuing coverage for 19-20 year olds who are leaving ("aging-out") out of foster care programs and initiatives to increase access to dental care.

You can find the complete DHFS budget proposal at:

<http://www.dhfs.state.wi.us/aboutDHFS/OSF/Budget/DHFS05-07BiennialBudget.pdf>

State Legislative Leaders Announce Health Care Initiatives for 2005-06

State Legislative Leaders Announce Health Care Initiatives for 2005-06
GOP leaders of the state Assembly and Senate will reintroduce many of the measures from the last session, most notably, tax credits for health savings accounts (HSA). HSAs, combined with high deductible health plans, are the centerpiece of the national GOP initiative on health care reform. In the last session, Governor Doyle vetoed a similar bill, saying it would benefit the wealthier who can afford

to establish these accounts at the expense of sick persons in need of comprehensive coverage, and that it would cost the state \$38 million. He also speculated that it might cause employers to drop or reduce their health insurance coverage.

Also proposed is an initiative for health coops for farmers, which was not funded from a federal bill and a tax exemption for individual health insurance. There is no estimate on the number of individuals this will bring into the insurance pool. <http://www.thewheelerreport.com/releases/Sept04/Sep27/0927gopjobs.PDF>

Legislative Audit of Medical Assistance Program eligibility

A Legislative Audit Bureau report, in its review of 101 case applications, found that 12.9% of the individuals were inappropriately denied benefits. Additionally, 1,100 individuals were inappropriately denied benefits in January, 2004 (the month in which the audit occurred) due to a longstanding computer system problem that was not resolved until July 2004, only after the issue was raised to DHFS by the Audit Bureau. The Audit found limited evidence of recipient fraud. However, program integrity efforts vary substantially across counties. The complete Audit Report can be found at <http://www.legis.state.wi.us/lab/reports/04-11Full.pdf>

Senators Ellis & Cowles Seek Budget Cuts to Plug Medicaid Deficit

Senators Mike Ellis and Rob Cowles issued a letter and press release renewing their call for an extraordinary session of the Legislature to balance the current state budget. The letter to the GOP leadership reads: "It is time it is past time, frankly to stop ignoring a looming shortfall in the state's medical assistance budget. We still have a chance to avert the shortfall, but the time is running out fast... The Legislature must act now to address a \$222 million shortfall in state funds for medical assistance... Put simply, we need to cut spending and we need to do it now..."

<http://www.thewheelerreport.com/releases/Aug04/Aug30/0830elliscowlesspecsession.PDF>

SE Wisconsin Communities Form Insurance Admin Consortium

Financial crises from public employee health care premiums has led 18 communities in the southeast region to create an 1,800-member consortium of employees and retirees in an attempt to cut premium costs. For the past 18 months, municipal officials from Milwaukee, Waukesha, Ozaukee and Washington counties have worked with an insurance consultant to reduce premium increases. The 18 communities expect to pay up to \$29 million in premiums in 2005. Per employee costs of the municipalities run as high as \$22,700 per year in Thiensville and \$18,000 per year in the City of New Berlin. The combined average premium is over \$14,000 per year or 64% above the national average. Richard Eggleston, of the Wisconsin Alliance of Cities, said a health insurance pool is not a new idea. "The new twist is to do it and maintain current benefit packages," he said. " <http://www.jsonline.com/news/wauk/sep04/258441.asp>

Impact of health insurance premium increases on school districts

increases on school districts

In a related report on the cost of health insurance for school employees, the Wisconsin Taxpayers Alliance found that school districts paid, on average, \$14,271 in 2003-04. This is an increase of 40% since 2001-02- an average annual increase of 18.6% per year. Premiums for single coverage average \$6,223. Two-thirds of the districts paid between \$13,000 and \$16,000. Almost all school district pay between 95-100% of the premium. The study notes that due to revenue limits, the schools must choose between health insurance premiums and other meeting other educational needs including staffing and instructional materials. At the same time due to state mandated restrictions in compensation, school district employees increasing choose between salary increases and funding of health insurance premiums. <http://www.thewheelerreport.com/releases/Sept04/Sep28/0929wistaxschoolhealth.pdf> <http://www.thewheelerreport.com/releases/Sept04/Sep28/0929wistaxschoolhealth.pdf>

MPS teachers' proposal includes health care contributions

In an unprecedented move, the Milwaukee teachers union released a proposed contract that calls for teachers to make contributions toward their health insurance. <http://www.jsonline.com/news/metro/aug04/255299.asp>

Humana Plans "Consumer-Driven" Network

Humana Inc. will introduce a "consumer-driven" health network for Milwaukee area customers next year. The name of the product is SmartNet and is similar to the Patient Choice network introduced into the Milwaukee area by WPS earlier this year. The goal is to steer consumers to less-expensive doctors and hospitals, which in theory would save money for consumers and employers. The products use cost and quality data to organize doctors and hospitals into networks based on "efficiency", then require the consumer to pay more out-of-pocket for the more expensive providers. Larry Rambo, CEO of the Humana Wisconsin market said he expects 75 % of the primary physicians and 50% of the specialists currently participating in the traditional Humana PPO to also participate in the SmartNet. Other major insurers such as Cigna and Aetna are developing similar product lines with different variations such as "specialists-only" or with or without hospitalization. Many physicians are skeptical about the range and quality of the data the insurers will use, contending that necessary data are at least one and probably two years away.

http://www.bizjournals.com/industries/health_care/health_insurance/2004/09/20/milwaukee_story3.html?f=et162 http://www.bizjournals.com/industries/health_care/health_insurance/2004/09/20/milwaukee_story3.html?f=et162

WI Hospitals Now Voluntarily Reporting Quality of Care Data

Federal CMS has announced that 86 hospitals in Wisconsin have taken their first step toward a commitment to improving their quality of care by voluntarily registering to submit quality information, the Centers for Medicare & Medicaid Services. <http://www.thewheelerreport.com/releases/Sept04/Sept2/0902dhfscmsshospquality.PDF>

Who should collect the health data? **Who should collect the health data?**

In a recent op-ed published in the Milwaukee Journal Sentinel, WPHI Senior Scientist Robert Stone-Newsom questioned whether the recent surge in health data collection activity by providers and insurers is what the public and purchasers really need. Stone-Newsom notes, "Data collection and reporting cannot be the sole responsibility of either purchasers or providers. They have much different business needs: One buys, one sells. A third party is required because too much is at stake. Consistent and unbiased rules, methods and polices must be applied and enforced. The third party must either be the government itself, or a government-mandated group made up of purchasers and providers with unlimited access to statewide data pools."

<http://www.jsonline.com/bym/news/sep04/256693.asp> <http://www.jsonline.com/bym/news/sep04/256693.asp>

Medicare premiums to jump 17%. **Medicare premiums to jump 17%.**

Federal officials have announced the largest premium increase in the Medicare program's history, raising the monthly expense by \$11.60, to \$78.20. The 17% increase largely results from increased payments to doctors and reflects rising medical expenses generally, officials said. The rise has nothing to do with a program that will start in 2006 to offer prescription drugs, for which beneficiaries must pay a separate premium. <http://www.jsonline.com/news/nat/sep04/256351.asp>

You can find the HHS press release at:

<http://www.hhs.gov/news/press/2004pres/20040903a.html>

Blue Cross/ Blue Shield First Round Planning Grants Announced **Blue Cross/ Blue Shield First Round Planning Grants Announced**

The Wisconsin Partnership Fund for a Healthy Future announced the first round of planning grants for 20 organizations across the state. Funding for the grants stems from the conversion of Blue Cross/Blue Shield United of Wisconsin to a for-profit corporation, the proceeds of which have been divided between the state's two medical schools. With a total amount of \$485,892 to be disbursed in this first award cycle for the planning grants, most of the organizations winning the one-year grants will receive a maximum of \$25,000. The second round of awards for the collaboration implementation grants, which are for larger projects, will be announced in January. The Wisconsin Partnership Fund has established annual funding cycles, and the next cycle will be announced in winter 2005. The full list of planning grants can be found at <http://wphf.med.wisc.edu/docviewer.php?oid=1412> <http://wphf.med.wisc.edu/docviewer.php?oid=1412>

Governor Doyle Announces Members of Oral Health Task Force **Governor Doyle Announces Members of Oral Health Task Force**

As part of his KidsFirst Initiative, Governor Doyle has created a Task Force to Improve Access to Oral Health, which is directed to analyze and offer solutions to address the shortage of dental care professionals and children's access to dental care in Wisconsin. The Governor has announced the 14 members of the Task Force, in a press release that can be found at http://www.wisgov.state.wi.us/journal_media_detail.asp?prid=734 *KidsFirst*

Wisconsin black infant mortality rate national ranking plummets **Wisconsin black infant mortality**

rate national ranking plummets

Overall, the infant mortality rate in Wisconsin has been consistent with or better than the national trend in the period, 1979-81 to 1999-2000. However, in the same period, Wisconsin's rank in the black infant mortality rate fell from third best in the nation to third worst (32 out of 34 with sufficient black population). In this period under study, Wisconsin's black infant mortality rate fell 12.4%, while the national rate for black infants declined by 37%. Also, low-birth weight for black infants was more than double that of white infants. An accompanying study found that the disparity in black and white maternal death rates is even more striking. The pregnancy related mortality ratio for black women was almost seven times as high as that for white women. The study of infant and maternal mortality is published in this month's Wisconsin Medical Journal. <http://www.wisconsinmedicalsociety.org/> <http://www.wisconsinmedicalsociety.org/>

RESOURCES

"Trends in Americans' Access to Needed Medical Care, 2001-2003," Center for Studying Health System Change: While U.S. residents' access to needed medical care improved slightly between 2001 and 2003, especially for low-income residents, 14% of the U.S. population delayed or went without needed medical care in 2003, according to the study by HSC health researcher Bradley Strunk and HSC senior health researcher Peter Cunningham. In addition, the study says that children's access to care improved, with only 2.2% of all children not receiving necessary care in 2003, compared with 3.2% of children in 1997. <http://www.hschange.org/CONTENT/701/> <http://www.hschange.org/CONTENT/701/>

Detailed Prescription Drug Data Online Detailed Prescription Drug Data Online

The Kaiser Family Foundation's State Health Facts Online now includes the latest available data on prescription drug use and spending for all 50 states and the U.S. The new 2003 data include the number of retail prescriptions filled, retail prescriptions filled per capita, the average price of prescriptions, and total spending on retail prescriptions for each state. The percent change from 2002 to 2003 for these indicators is also included. These data, are displayed in easy-to-use ranked tables and color-coded maps at:

<http://www.statehealthfacts.kff.org/healthcosts>

New Report Maps Women's Health in the United States New Report Maps Women's Health in the United States

The Women's Health and Mortality Chartbook is a collection of current state data on critical issues of relevance to women's health. Prepared by the HHS Office on Women's Health and the Centers for Disease Control and Prevention, the report ranks each state, the District of Columbia and Puerto Rico in 27 indicators, including major causes of death, health risk factors, preventive care and health insurance coverage. To view or download a copy of the report, go to: *The Women's Health and Mortality Chartbook*

<http://www.cdc.gov/nchs/datawh/statab/chartbook.htm>

EVENTS

Health care forums for candidates

A number of groups including SmokeFree Wisconsin, the WI Council on Developmental Disabilities, American Cancer Society, and the Wisconsin Hospital Association -- are hosting a series of candidate forums on health care issues, including Medicaid funding, tobacco control; and health care for seniors and citizens with disabilities. Times and locations include the following:

- Oct. 4, 9:30 am -noon, Fennimore, SW Wisconsin Technical Center, 1800 Bronson Blvd
- Oct. 12, 5:30-7:00 p.m., Kenosha, UW Parkside
- Oct. 27, 5:00-7:00 p.m., Eau Claire, Chippewa Valley Technical College, Gateway Campus, 620 W. Clairemont Ave.

Fall 2004 Seminar Schedule Fall 2004 Seminar Schedule

All seminars take place 12:00-1:00 at the new Health Sciences Learning Center in room 1309, check the website for verification as room may change. <http://www.pophealth.wisc.edu/seminar.htm>
<http://www.pophealth.wisc.edu/seminar.htm>

Oct 4 (location changed to 1335 HSLC) Bernard Turnock (location changed to 1335 HSLC, MD, MPH, Clinical Professor, Community Health Sciences, School of Public Health, University of Illinois-Chicago, "Public Health Workforce Preparedness"

Nov 1 Mark Sager, MD, Professor, Departments of Medicine and Population Health Sciences and Director, Wisconsin Alzheimer 's Institute, "The Public Health and Public Policy Implications of Alzheimer's Disease."

Dec 6 Al Jacobs, WEA Trust, title pending.

READING ROOM

Air Pollution Effects Lung Development

The first long-term study of the effects of air pollution on children finds that children and teenagers in Southern California communities with higher levels of air pollution were more likely to have diminished lung function. The study, published in *The New England Journal of Medicine*, reports that researchers at the University of Southern California followed 1,759 children ages 10 to 18 in a dozen Southern California communities. The pollutants they considered came primarily from car exhaust, they said. *The New England Journal of Medicine*

The investigators added that the lung effects were similar to those that occur when children live in the home of a mother who smokes. <http://content.nejm.org/cgi/content/full/351/11/1057>

Policies to Reduce Racial and Ethnic Disparities in Health Policies to Reduce Racial and Ethnic Disparities in Health

Anne C. Beal, M.D. of the Commonwealth Fund says in an article in the new issue of *Health Affairs* that there are numerous ways to reduce racial disparities in health care, including: broadening health care coverage, adopting common quality improvement efforts, improving the training of health care providers, and boosting the ranks of minority clinicians. She adds that public and private sector programs launched to take on disparities in health care require better coordination and monitoring at the

federal level to maximize their effectiveness. Beal suggests creating an advisory council of minority health experts charged with oversight of disparity-reduction programs, coordinating efforts across federal agencies, and obtaining reports on locally based programs to improve minority health services, including pediatric care. [article](#) *Health Affairs*

http://www.cmwf.org/publications/publications_show.htm?doc_id=237885 http://www.cmwf.org/publications/publications_show.htm?doc_id=237885

Health Insurance Premiums Increase

Employer-sponsored health insurance premiums increased an average of 11.2% in 2004 -- less than last year's 13.9% increase, but still the fourth consecutive year of double-digit growth, according to the 2004 Annual Employer Health Benefits Survey of the Kaiser Family Foundation and Health Research and Educational Trust (HRET). Premiums for employer-sponsored health insurance rose at about five times the rate of both inflation (2.3%) and workers' earnings (2.2%).

The survey also found that 61% of all workers receive health coverage from their employer, which is about the same as in 2003 (62%) but is down significantly from the recent peak of 65% in 2001. As a consequence, there are at least 5 million fewer jobs providing health insurance in 2004 than 2001. The survey results are available at <http://www.kff.org/insurance/7148/>. Findings also appear in the September/October issue of the journal *Health Affairs*, available at <http://www.healthaffairs.org>

Personal Expenditures for Health Care Skyrockets

Employee costs for health insurance rose by 36% since 2000, compared to an average increase in earnings of 12.4%. At the same time, the number of Americans spending more than one quarter of their income on medical costs rose 23% in the same period to 14.3 million, according to a report issued by Families USA. Drew Altman, President of Kaiser Family Foundation noted, "The cost of family health insurance is rapidly approaching the gross earnings of a full-time minimum wage worker. If these trends continue, every year the share of American who have employer-sponsored health coverage will fall." The report projects a 9.6% increase in health care spending per employee in 2005.

<http://www.washingtonpost.com/wp-dyn/articles/A55301-2004Sep27.html> <http://www.washingtonpost.com/wp-dyn/articles/A55301-2004Sep27.html>

Many Insured Employees Overburdened by Out-of-Pocket Costs, Study Finds

A study released this week by the Center for Studying Health System Change (HSC) found that as more employers shift private insurance costs to their employees, many low-income workers with chronic illnesses are spending more than 5 percent of their annual salaries on out-of-pocket healthcare costs. (Wall Street Journal) HSC President Paul Ginsburg said he hopes more employers will begin to adjust healthcare benefits to allow employees with chronic conditions to pay lower co-payments than workers without serious illnesses. *Wall Street Journal*

<http://bcbshealthissues.com/proactive/newsroom/release.vtml?id=129816>

Drug Studies Must Register Prior to Publication

A dozen editors of prestigious medical journals announced they will refuse to publish drug research

sponsored by pharmaceutical companies unless the studies are registered in a public database from the outset -- a step designed to ferret out unpublished studies that find medications to be ineffective or dangerous. The new requirement calls on companies to register their trials well before anyone knows whether a study will turn out positive.

The Journal of the American Medical Association, the Annals of Internal Medicine, the Lancet, the New England Journal of Medicine and several other international publications have signed on to the initiative, and their editors hope that more will join in. The medical editors' initiative also asks companies to report the studies' results in the database, but the editors acknowledged that if a trial turns out to be unfavorable, a company could decide not to. Still, they said, just knowing of the existence of the trial through the registration requirement would be telling. *Journal of the American Medical Association Annals of Internal Medicine the Lancet, New England Journal of Medicine*

<http://www.washingtonpost.com/wp-dyn/articles/A6673-2004Sep8.html> <http://www.washingtonpost.com/wp-dyn/articles/A6673-2004Sep8.html>

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Better Diabetes Care Found in VA Hospitals. Better Diabetes Care Found in VA Hospitals.

In a study published this month in Annals of Internal Medicine, researchers found that patients in the VA system more often received blood tests to assess glucose control, eye and foot checks, and counseling about aspirin use than did patients in commercial managed care. They also had better glucose and lipid level control than did patients in commercial managed care. Patients in both systems had poor blood pressure control. Patients in both systems also rated care highly and reported high satisfaction with care. To try to evaluate the impact at the VA, Kerr and her colleagues focused on diabetes because it is a common, chronic condition that is often difficult to manage and is becoming increasingly common in the United States.

<http://www.annals.org/cgi/content/full/141/4/272> <http://www.annals.org/cgi/content/full/141/4/272>

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Alcohol kills 75,000 annually, CDC reports Alcohol kills 75,000 annually, CDC reports

An estimated 75,000 Americans die each year because of alcohol use, with drinking-related diseases cutting their lives short by an average of 30 years, according to a new report from the Centers for Disease Control. The report estimated that 34,833 Americans died in 2001 from alcohol-related diseases like cirrhosis of the liver and cancer, while an additional 40,933 died in alcohol-related car crashes and other accidents. Of those who died from alcohol-related causes, 72 percent were men, and people under age 21 accounted for 6 percent of deaths.

<http://www.cdc.gov/mmwr/preview/mmwrhtml/mm5337a2.htm>

Indian health care funds short Indian health care funds short

Frustration continues to mount over a lack of funding for American Indian health care services - a shortfall estimated at \$2 billion a year - and little ground has been gained recently in closing the gap between health services for Indians and for other Americans. A top federal health official gave no indication Tuesday that the Indian Health Service will get a substantial boost in funding anytime soon. Instead, he emphasized finding better ways to squeeze more out of existing programs.

<http://www.billingsgazette.com/index.php?display=rednews/2004/08/25/build/local/30-tribal-conference.inc>
<http://www.billingsgazette.com/index.php?display=rednews/2004/08/25/build/local/30-tribal-conference.inc>

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