The Wisconsin Public Health and Health Policy Institute's E-News is delivered monthly. Check our website for additional information and updates: [http://www.pophealth.wisc.edu/wphi/index.html](http://www.pophealth.wisc.edu/wphi/index.html)


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STATE NEWS

Federal Budget Bill Provides Grant for WI's Regional Health Insurance Coop
After a number of attempts to fund a insurance purchasing co-op for farmers and small businesses, Senator Kohl successfully inserted funding in the federal budget bill. The bill includes $2.25 million for the WI Federation of Cooperatives to increase access to affordable health plans. The federal funding is intended to jump start the pilot program approved by the WI Legislature last December for health benefit purchasing cooperatives (SB 204/Act 101). To help get insurance companies to participate in the pilot programs, the measure would set aside $2 million in a stop-loss fund to cover high-risk farmers. The remaining $250,000 will fund studies to assess the general health of co-op members for the purpose of setting a premium rate with insurers. An article in the Marshfield News Herald provides more info:
http://www.epa.gov/airtrends/metro.html

Badgercare Enrollment Declined by 17% in 2004; Medicaid Enrollment Up
BadgerCare, Wisconsin's health insurance program for low-income children and parents who don't have employer-sponsored insurance, has experienced about a 17% drop in enrollment since last year. Last month, about 94,300 were enrolled, compared with about 114,000 a year earlier. In the same period, MA and Healthy Start enrollment increased by 27,000 or 10% of the base of those programs.

State officials traced the decreasing enrollment to a requirement that took effect in May that those seeking BadgerCare to obtain from their employers proof of their earnings and lack of health insurance coverage. The information must be provided when the applicant initially seeks aid, as well as during an annual eligibility screening. Enrollment in BadgerCare had been expected to drop about 6% because of the change. Gov. Jim Doyle said that although he is an advocate of health care for children, the change was needed to enforce eligibility requirements strictly, as the state's Medicaid program faces an $800 million shortfall over the next two years.
However, a recent audit by the nonpartisan Legislative Audit Bureau showed that fraud in the system is limited, and that the state overreacted by requiring applicants to submit paperwork from their employers. The Legislative Audit Bureau reported in September that although some people who shouldn’t have received benefits did get them, they were offset by those who were eligible but were turned down.


For more on the state Medicaid budget, including the existing deficit and upcoming budget deliberations, see the Milwaukee Journal Sentinel's recent review at http://www.jsonline.com/news/state/dec04/283621.asp

Hospital Price Increase of 7% Anticipated for 2005

Statewide, hospital rate increases are expected to average 6.8 percent for 2005, as compared to 6.5 percent in 2004 and 6.7 percent in 2003, according to George Quinn, senior vice president of finance for the Wisconsin Hospital Association. State law requires hospitals to report price increases if they are above the inflation rate. Quinn said the rates quoted are the "sticker price" for hospital care, and that few patients actually pay full price because of discounts negotiated by commercial insurers and government health plans.

Hospitals continued to cite low government reimbursement rates and the need to shift costs to private insurers as the primary reason for the price gains. Yet an August 2004 report by the federal Government Accountability Office said Milwaukee-area hospitals' reimbursement for the federal Medicare health plan for seniors was comparable to other metropolitan markets.

In addition, that report found that hospital systems' leverage over insurance companies -- rather than Medicare reimbursement -- was more of a factor behind metropolitan Milwaukee's relatively higher prices. Meanwhile, Medicaid, the state and federal government's insurance program for the poor, reimburses hospitals less than 60 cents on the dollar on average for the cost of medical care, hospital officials said.


Wisconsin Industry Leaders Speak Out on Health Insurance Cost Shifting

Two recent op-ed pieces in the Milwaukee Business Journal demonstrate the stand Wisconsin's business leaders are taking during the upcoming budget session related to the state's funding and regulation of health care programs. In particular, each of these writers call for increased GPR spending for the Medicaid and HIRSP programs.

Wisconsin Manufacturers and Commerce CEO James Haney, in his December 31, 2004 op-ed piece, argues against the "hidden tax" to insured persons by the underpayment by Medicaid.

http://milwaukee.bizjournals.com/milwaukee/stories/2005/01/03/editorial4.html

Jay Fulkerson and Nancy Wenzel, of the Wisconsin Association of HMOs, express concern over the shrinking of the commercially insured population in Wisconsin relative to those covered by self-insured employers and publicly-funded programs, neither of which contribute to funding the HIRSP program. The writers call for tax and regulatory relief in order to bolster the viability of the commercial insurance
market and "break the cycle of shifting costs."
Neither op-ed piece indicates what additional revenue sources their respective trade groups might support for funding the called-for increases in state spending.

**Wisconsin Improves Score on Bioterrorism Readiness**
Wisconsin demonstrated continued incremental progress in developing readiness and preparedness to respond to bioterrorist attacks, according to a report released by the Trust for America's Health. Two-thirds of states and DC achieved a score of six or less out of ten possible indicators, while Wisconsin received a score of six. Two states scored nine, the highest score, Florida and North Carolina. Some of the major findings include that Wisconsin was did not cut their public health budget this year; as did one third of all states. Wisconsin's public health labs did not report sufficient capabilities to fully respond to chemical terrorism. Nor does Wisconsin have the electronic capacity to track disease outbreak. According to report estimates, a pandemic flu epidemic (unrelated to bioterrorist attack), could cause 4,956 deaths and 21,393 hospitalized in our state in the first wave of the disease hitting the U.S.
http://healthyamericans.org/reports/bioterror04/release.php?StateID=WI

**UW Medical School Awards $5.4 Million in Partnership Grants**
U.W. Medical Schools Partnership for a Healthy Future -- the fund created from distribution of assets from Blue Cross/Blue Shield privatization -- awarded 13 grants totaling approximately $5.4 million to community-academic partnerships. The program received 131 grant applications. Among the grants awarded were:
- At-Risk Adolescent Health Outreach Program in Dane County: $292,000
- Statewide effort to integrate oral health efforts into public health programs: $450,000
- Statewide effort to prevent domestic violence in Latino/Hispanic communities: $450,000
- Insurance co-op purchasing project: $450,000
- Dane County home visitation project targeted to early childhood: $450,000
- State tobacco cessation program targeted to low-income pregnant women: $450,000
- Reducing and preventing obesity among children in Washington County: $318,971
- Promoting active lifestyles among disabled children in La Crosse County: $430,490
- Extending the perinatal data base to 34 additional rural counties: $395,819
http://wphf.med.wisc.edu/docviewer.php?oid=3071

**Medical College of Wisconsin Awards Community Partnership Grants**
The Medical College of Wisconsin announced the award of 23 grants, including 8 major projects, for a total of $4 million to community academic partnerships to improve public health. Over 200 proposals were submitted to the College. The eight major projects funded at $450,000 were:
- Develop a model of care that will reduce health effects of conditions such as asthma, diabetes and obesity in Milwaukee's Hispanic community.
- Community Health Advocate Model Program to improve health at five Milwaukee public housing sites.
Wisconsin Lags in Funding Tobacco Prevention Programs
Wisconsin ranks 24th the nation in funding programs to protect kids from tobacco, according to a national report released by a coalition of public health organizations. Wisconsin currently spends $10 million a year on tobacco prevention programs, which amounts to 32.1 percent of the minimum amount of $31.2 million recommended by the U.S. Centers for Disease Control and Prevention (CDC). In contrast, the tobacco companies are spending a record $247 million a year to market cigarettes and other tobacco products in Wisconsin, amounting to almost 25 times what the state spends on tobacco prevention.

Wisconsin current spending on tobacco prevention amounts to just 2.4 percent of the $423.6 million it will collect this year from the state tobacco settlement and tobacco taxes.

In Wisconsin, 23.6 percent of high school students currently smoke, and 15,900 more kids become regular smokers every year. Each year, tobacco use claims 7,800 lives and costs the state $1.58 billion in health care bills.

Updated County Health Rankings Released
The Wisconsin Public Health & Health Policy Institute has updated its rankings of Wisconsin's counties. Among the new features of the report is an analysis of health disparities through an examination of mortality rates of people under 65 by level of educational attainment. The researchers analyzed mortality rates of people with high school education or less and those with more than a high school education. The full report can be found at the WPHI web site:

The Annual Health Fact Book, published by the federal DHHS, has been released and is full of interesting facts about health trends in the US. The report, "Health, United States 2004," presents the latest data collected by CDC, the National Center for Health Statistics and dozens of other Federal health agencies, academic and professional health associations, and international health organizations.

Health Insurance Coverage in America Updated
Two Kaiser publications provide 2003 data on health insurance coverage in America and particularly focus on the characteristics of America's growing uninsured population. Forty-five million Americans...
were without health insurance in 2003 and since 2000 the number of uninsured under the age of 65 has grown by more than five million. The fact sheet is available at http://www.kff.org/uninsured/1420-06.cfm and the chartbook is available at http://www.kff.org/uninsured/7153.cfm

Fiscal Survey of the States Reviews Medicaid
The National Governors Association (NGA) and National Association of State Budget Officers (NASBO) have just released an updated The Fiscal Survey of States, which has found that revenue collections are narrowly exceeding budgeted estimates in nearly all states this fiscal year. However, the report estimates that Medicaid will grow by as much as 12.1% in FY 2005, due in part to expiring federal assistance. Moreover, Medicaid spending is expected to continue to grow, and is now a larger component of total state spending than elementary and secondary education combined, exceeding education spending by 0.5%. It can be found online at: http://www.nga.org/cda/files/FSS0412.pdf

EVENTS

Health Care Data Colloquium: Models for Public-Private Partnership
February 7, 2005. Fluno Center, Madison, WI. Convened by the Wisconsin Public Health & Health Policy Institute, in partnership with the Wisconsin Department of Health & Family Services. For registration and information, see http://www.pophealth.wisc.edu/wphi/education/colloq05.htm

READING ROOM

Institute of Medicine: Not Enough Progress on Medical Errors
In 1999, the U.S. Institute of Medicine (IOM) reported that 44,000 to 98,000 people die each year from avoidable medical errors, the equivalent of a jumbo jet crashing daily. A new report appearing on the fifth anniversary of that landmark study says that the United States has made insufficient progress to improve the safety of patients in hospitals.
This report card, supported by the Commonwealth Fund and published in today's Web-exclusive edition of Health Affairs, gives the U.S. health system an overall grade of C+ on patient safety, noting some improvement but considerable deficiencies in key categories.
The patient safety report card comes amid heightened consumer concerns about the quality of care. Another survey released this month by the Henry J. Kaiser Family Foundation, U.S. Agency for Healthcare Research and Quality (AHRQ), and Harvard School of Public Health to commemorate the anniversary of the IOM report showed that nearly half of Americans worry about the safety of their medical care, with one in four saying that the quality of care has worsened since 1999.
The number of states with adverse event reporting systems has increased from 15 to 22; 64 percent of the U.S. population now lives in states with mandatory reporting of such events.
http://content.healthaffairs.org/cgi/content/full/hlthaff.w4.534/DC1

Most Police Chiefs See Drug War Failing
A national Drug Strategies survey of 300 police chiefs finds that most feel that the war on drugs is failing, with many calling for more public-health involvement in fighting drug problems. According to the survey that included responses from police chiefs in major metropolitan areas and small towns, 60% believed drug misuse is a more serious problem in their area than five years ago. Most also support court-supervised treatment programs instead of prosecution for nonviolent drug offenders. Three out of four respondents said they were lacking the necessary resources to fight the war on drugs.

http://www.drugstrategies.org/about.html

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**Retiree Health Care Coverage Eroding**
Eight percent of employers with at least 1,000 workers said they had eliminated subsidized retiree health benefits for some workers this year, and 11 percent more said they probably would do so next year, according to a study by the benefits consulting firm Hewitt Associates and the Kaiser Family Foundation. At the same time, for those who continue to have health insurance, premiums for new retirees will be about 25% higher than those who retired last year, according to the survey of 333 companies, which was conducted between May and September. The number of companies that offer health coverage to retirees has been on the decline for 15 years.

http://www.kff.org/medicare/med121404pkg.cfm

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**EPA Issues Report on Particle and Other Air Pollution**
The average level of a deadly form of air pollution dropped in the USA from 1999 to 2003 as new pollution controls made strides in battling the nation's air quality problem, the Environmental Protection Agency reports. The deadliest form of particulate pollution, the soot emitted by tailpipes and smokestacks, fell 10% during the four-year period, the EPA reported. Particulate kills tens of thousands of people each year by triggering heart and lung problems, EPA reports have said.

Despite the improvement, many communities still suffer from particulate pollution far worse than allowed by federal law. The new report says that 62 million people live in counties where particulate levels were higher in 2003 than limits set by the EPA to protect public health.

No major metro area in Wisconsin experienced a significant increase in air pollution in the past year. Environmentalist John Stanton warned that there's still a long way to go in fighting the pollution problem, noting that he believes the EPA's message seems to have been politically motivated. "Clearly, this was good news they could tell," said Stanton of the environmental group Clear the Air. "And it was sandwiched between two pieces of bad news on the same topic," referring to a recent decision by EPA to delay a federal rule relating to power plant cleanup and an EPA announcement that will say which counties fail to comply with particulate limits.

The EPA acknowledges there are still problem areas.

http://www.epa.gov/airtrends

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**Health Care Spending Projected to Increase by 7.5% in 2004**
The growth in health care spending by private employers slowed last year, creating some optimism that the employers had turned the corner in their struggle with rising costs. But any relief appears to have been short lived.

Growth in spending in the first half of 2004 was about the same as it was in 2003, according to the Center for Studying Health System Change, a nonprofit research group in Washington that tracks
spending levels. Largely driven by the growth in hospital costs, total health care spending increased 7.5 percent.

"The cost-growth decline that we hoped was starting has basically stopped," said Dallas Salisbury, chief executive of the Employee Benefit Research Institute in Washington, which financed the research. And the steps now being taken by employers and health plans are not likely to halt spending growth, which continues to increase much faster than overall inflation, said Paul B. Ginsburg, the president of the center and an author of the study.

While many employers have started asking their workers to bear more of the cost of health care, this shift is unlikely to have a significant effect in the future, Mr. Ginsburg said, because patients are already paying so much. "We're already using up that tool in the arsenal," he said.

Universal Coverage Revisited

A report in the New York Times last month reviewed the re-emerging issue of universal coverage and the new forms of alliances to promote its acceptance:

"....health care experts contend that the issue must be addressed. Their policy proposals vary widely, and the proponents of universal coverage are as different as Dr. William W. McGuire, chief executive of one of the nation's largest health insurers, and Dr. David Himmelstein of the Harvard Medical School, who recommends eliminating big insurers like Dr. McGuire's company, the UnitedHealth Group.

Whatever their differences, they do agree that moving toward universal coverage would surely save lives and maybe dollars as well. A report this year by the Institute of Medicine of the National Academy of Sciences found that the uninsured are sick more often than the insured and likely to die younger, resulting in an estimated 18,000 additional deaths a year.

The uninsured receive medical care, but often when it is most expensive - acute care at hospitals after emergencies instead of regular checkups and other preventive care. And the uninsured pay only 35 percent of their own medical bills, according to the Institute of Medicine report. Most of the rest is paid by taxpayers through subsidies to hospitals and clinics.

Any plan for universal coverage must answer at least three basic questions: Will the move to national coverage follow an incremental, step-by-step path or require drastic change? What role will the government play? What should be covered under a universal system?

It will take political will and some hard choices about what path to take, but the United States certainly has the means to provide health insurance to everyone, health experts say. Neelam Sekhri, a health policy and finance expert at the World Health Organization, illustrates it this way: American government spending on Medicare and Medicaid alone, which covers about 40 percent of the population, if spread across the nation's entire population, would equal on a per capita basis total spending by most European countries. From a strictly financial standpoint, Ms. Sekhri said, "Given the amount of money that the United States spends on health, there is no reason why it should not be able to provide a very good system of universal health coverage."

Many Smokers Unaware of Cigarettes' Risk

The majority of smokers don't know the facts about what's in their cigarettes and how these ingredients
may be harming them. Most smokers also don't realize there are no health benefits to filtered and low tar cigarettes, nor do they understand the ins and outs of nicotine medications such as patches, according to the results of a survey appearing in the December supplemental issue of *Nicotine & Tobacco Research.*


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**Study Finds Low Health Care Access Cost Blacks 860,000 Lives**

More than 886,000 deaths could have been prevented from 1991 to 2000 if African Americans had received the same care as whites, according to an analysis in the December issue of the *American Journal of Public Health.* The study estimates that technological improvements in medicine -- including better drugs, devices and procedures -- averted only 176,633 deaths during the same period. That means "five times as many lives can be saved by correcting the disparities [in care between whites and blacks] than in developing new treatments," said the study's lead author. http://www.washingtonpost.com/wp-dyn/articles/A13690-2004Dec20.htm