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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STATE NEWS

Wisconsin 2005-2007 State Budget
Governor Doyle unveiled his proposed budget for the upcoming biennium on Tuesday, February 8. The budget address to the legislature and the budget documents are available at the following link: http://www.wisgov.state.wi.us/budget.asp

Legislative Fiscal Bureau Information Papers are available at the following link: http://www.legis.state.wi.us/lfb/LFBPublications_ButtonPages/Publications_Main.htm

Some of the papers of interest that are now available include the following:
Medical Assistance, BadgerCare, SeniorCare, and Related Programs (Paper 43)
Wisconsin Works (W-2) and Other Economic Support Programs (Paper 45)
Supplemental Security Income Program (Paper 46)
Community Aids (Financial Assistance to Counties for Human Services) (Paper 47)
Services for Persons with Developmental Disabilities (Paper 48)
Services for Persons with Mental Illness (Paper 49)
Health Insurance Risk-Sharing Plan (Paper 51)
The Governor's health-related proposals that are sure to generate discussion include the following:

- Maintain eligibility standards and benefits for Medicaid and BadgerCare recipients. Preserve eligibility standards for SeniorCare, with no changes in co payments, deductibles or enrollments fees.
- Transfer $169.4 million from the injured patients and families compensation fund in order to maintain Medicaid provider reimbursement rates, including supplemental payments to hospitals for direct graduate medical education, rural hospital adjustments, a major managed care adjustment, pediatric supplements and essential access city hospital (EACH) payments.
- Utilize $130 million in proceeds from revenue bonds to sustain Medicaid while major reforms to the program are pursued and to capture an additional $177 million in federal revenue.
- Supplement Medicaid with $81.8 million in new federal revenues by claiming costs from residential care centers and implementing new provider assessments.
- Create additional capacity in the community for nursing home residents seeking to live in the community by adding 1,440 new Community Integration Program 11 slots toward a goal of reducing the nursing home population by 25% over the next 8 years.
- Allow the half million Wisconsin residents who do not have prescription drug coverage to join the state's drug plan, Badger Rx. Private businesses and local governments can currently join the plan which has added about one-quarter million participants to the same number of state employees, retirees and their dependents.

GOP Promotes Health Savings Accounts
One of the first official acts of the Legislature newly convened Joint Finance Committee was to pass a measure to provide tax deductions for Health Savings Accounts (HSAs). The bill would largely create in state law a tax deduction currently allowable under federal law. The vote was along party lines. Republicans said it would allow small business owners an alternative to conventional health insurance. Democrats said it would primarily provide a benefit to wealthy people at the expense of sicker people who do not have other options. The cost of the proposed new deduction is $7.5 million over the next budget cycle, 2005-07. The Assembly approved the measure, again by a largely party-line vote. Governor Doyle vetoed the proposal in the last legislative session and is likely to veto this bill as well.
Briefing materials from a February 3 Family Impact Seminar held on Health Savings Accounts can be downloaded from the web at http://www.uwex.edu/ces/familyimpact/fis21.htm or http://www1.uwex.edu/ces/pubs
For the President's action to promote health savings accounts http://www.washingtonpost.com/wp-dyn/articles/A39782-2005Jan26.html

Did State Miss Multi-million Dollar Insurance Pay Out?
The merger of Wellpoint and Anthem insurance companies into the nation's largest insurers created $265 million pay out for California and about half that amount for Georgia to offset merger costs that might otherwise be passed onto patients. Wisconsin was one of nine states that did not attempt to restrain the merger pending compensation to the state and patients. OCI leadership contends that they do
not have statutory authority to hold up the merger. Further, their spokesperson likened the payments in other states to blackmail. Advocates said that the OCI has the authority to protect the interests of the rate payers and neglected their duty.


- Report on Violent Deaths to Wisconsin Youth
The suicide rate in Wisconsin for persons under age 25 was about one-third higher than the national average, while the homicide rate was one quarter lower than the national average according to a report of the Firearm Injury Center at the Medical College of Wisconsin. A total of 585 persons were victims of suicide (55%) and homicide (45%) between 2000 and 2002. The report is in the current issue of the Wisconsin Medical Journal.

http://www.wisconsinmedicalsociety.org/health_news/wmj_transcript.cfm?id=706

- $1 increase in cigarette tax proposed
Assembly Public Health Committee Chair, Rep. Doc Hines proposed a bill to increase the cigarette tax from the current 79 cents to $1.79. The anticipated additional $250 million per year in revenue would go to increase funding to tobacco control programs ($15 million) and the remainder to bolster Medicaid's deepening debt. The bill will first be heard in Joint Finance as a test of that committee's interest in a tobacco tax increase. The staunchest opponent of the tax continues to be Governor Doyle whose spokesperson said, he doesn't want to balance the budget with a tobacco tax increase. If the Governor continues to reject the tax increase, it is likely that Republicans who control Joint Finance will move the tax increase forward.

http://www.lacrossetribune.com/articles/2005/01/21/afternoonedition/03lead.txt

- Milwaukee's Health Ranked High by Some
Despite the highest number of bars per capita, more than half of the population obese or overweight and one fifth of the population self-described as sedentary, there are enough positive attributes for Milwaukee to rank 15th of the US 50 cities, according to a survey by Men's Fitness magazine. Other than a lack of donut shops and public golf courses, it is unclear from the survey why the city moved up six slots.

http://www.mensfitness.com/rankings/304

- SeniorCare Scored by Audit Bureau Report
In an audit of SeniorCare, the states drug discount program with 90,000 recipients, the Legislative Audit Bureau found that the program may over enroll individuals with incomes above the allowed limits. In audit of 1,000 approved applications, the Audit Bureau found that about 11% of the applicants understated their income and 2.3% overstated their income. If all of the applicants who understated their income were disallowed, the state would have saved $6 million. The program is financed through Medicaid which pays for 60% of the costs. Mark Moody, administrator of the program noted that most of the mistakes made by applicants were very small. He said, "It's not like people making big bucks are scamming the system."

http://www.legis.state.wi.us/lab/reports/05SenCare_ltr.pdf
Milwaukee Second Highest in Teen Births

The Wisconsin Council on Children and Families, along with the Annie E. Casey Foundation, has released the annual Right Start report, finding that Milwaukee did worse than the 50-city average on eight of the measures reported.

According to the report, Milwaukee's percentage of births to teens was 18.7% in 2002, ranking it second nationally. The 50-city average of births to teens was 12.7% that year.

As well, births to unmarried women in Milwaukee accounted for 60.3% of all births in 2002, up from 57.7% in 1992. The 50-city average was 43.9%.

The percentage of births in which women received late or no prenatal care decreased from 7.3% in 1992 to 5.6% in 2002. The average was 4.9%.


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Pertussis Outbreak Continues in SE Wisconsin

Over 4,000 cases of pertussis (whooping cough) have been identified as of December 8, 2004. Most of the cases were in Milwaukee, Dane, Waukesha and Washington counties. This is more than 6 times the total cases for 2003 and 20 times the usual case count. There are also more than double the usual hospitalizations. See sites below for more information on the outbreak and on the virus.

http://www.wisconsinmedicalsociety.org/default.cfm
http://dhfs.wisconsin.gov/communicable/communicable/factsheets/pertussis.htm

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Wisconsin received failing grades on tobacco use

The American Lung Associate awarded Wisconsin Two D's and two F's were Wisconsin's grades in tobacco control.

Clean Indoor Air: F: Little activity at the state level.

Tobacco Control Funding: F: Wisconsin spends one-third of the minimum recommended by the CDC.

Youth Access to Tobacco Products: D: Wisconsin does not require that cigarettes be kept behind the counter.

Cigarette Tax: D: Wisconsin's 77-cent tax is below the national average of 84 cents.

http://lungaction.org/reports/reportcard04.tcl?geo_area_id=55

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New U.W. Madison Masters in Public Health Approved

A new master of public health degree was approved by the UW Board of Regents to be offered through The UW Medical School's Department of Population Sciences. The new MPH degree program will initially admit 25 students and increase each year to 40 students by the fourth year. The program is designed for people already involved in public health and requires a bachelor's degree and at least two
years of full-time health related experience. Students in the program must complete 36 credits of core curriculum and course work over fourteen months. The program will be led by Patrick Remington, UW Medical School professor in the Population Health Sciences Department and Director of the Wisconsin Public Health & Health Policy Institute. For more information on the degree program see http://www.pophealth.wisc.edu/MPH/

- **RESEARCH AND PROGRAM TOOLS**

  **Wisconsin State Health Plan annual status report**
  A new site providing an overview of the development, implementation plan and current activity on the state health plan, Healthiest Wisconsin, 2010. The site also includes a mechanism to access data necessary to track effective implementation. http://dhfs.wisconsin.gov/statehealthplan/

  **Visit the Prevention Institute website**
  PI develops tools and other materials to support the crafting, implementation, and evaluation of comprehensive prevention initiatives and effective coalitions. The resources at the website include *The Spectrum of Prevention, Developing Effective Coalitions: An Eight Step Guide*, and *Evolution to Effective Prevention*. Other major topic areas are studies of the impact of the built environment on physical activity and health and the link between sustainable agriculture and health. You can also sign up for their newsletter. These resources can be accessed free of charge at: http://www.preventioninstitute.org/tools.html.

- **EVENTS**

  **Wisconsin's Health Care Safety Net: What is Your Role?**
  Thursday, February 17, Madison Concourse Hotel
  The conference is directed toward legislators, safety net providers, and payers. It aims to demonstrate each party's role in the maintaining and strengthening the health care safety net in Wisconsin. Local, regional, and national speakers will present on various issues related to the health care safety net, including the future of Medicaid, innovative and collaborative endeavors in health care, and issues related to projected shortfalls in Wisconsin's health care workforce. The conference is free and is open to the public. www.wphca.org.

  **Health Care Data Colloquium**
  Materials from the Health Care Data Colloquium that was held in Madison on February 7 can be downloaded from the Institute's web site at www.pophealth.wisc.edu/wphi/education/colloq05.htm
  You can view a webcast of the event on demand at http://dhfs.wisconsin.gov/webcast/

  **New Approaches to Healthcare Governance: Louise Trubek J.D.**
  Monday, April 4, Health Sciences Learning Center, U.W. Madison
  This seminar will explore an emerging new regulatory regime through case studies of advocacy for
quality and equity, expanding access, and incorporating technology. These case studies demonstrate similar significant elements: multilevel government coordination, horizontal learning across policy, learning and community networks, and linking public and private institutions and regulation. They rely heavily on stakeholder collaboration, performance based goals, flexibility and accountability. The discussion will address the fit between current problems in health care with the process-oriented new approaches.

READING ROOM

Illness a Major Cause of Bankruptcy in U.S., Study Finds
New research in Health Affairs reports that 2 million Americans a year are in families that experience a bankruptcy following illness or injury, representing about half of all bankruptcies in the United States. Most of those filings were middle-class workers who had health insurance at the onset of their medical difficulties. The authors say the trends shows a need for safety net programs for chronically ill, and the importance of separating health coverage from employment.

While the number of overall bankruptcies was 3.6 times higher in 2001 than in 1980, the number of health-related bankruptcies increased 23-fold over the same period, which suggests that high medical bills were a major contributor to the growth in the number of individuals seeking federal bankruptcy protection.

- Three-quarters of the debtors had insurance at the onset of the bankrupting illness
- As they experienced financial trouble, 61 percent of the filers failed to seek medical treatments they needed
- Medical debtors were 42 percent more likely than other debtors to experience a lapse in health insurance coverage

http://content.healthaffairs.org/cgi/content/abstract/hlthaff.w5.63

Costing Health Care Reform Measures
The tax break for employer-provided health is costs about $140 billion per year. With 45 million uninsured, it is not working very well. MIT Economist Jon Gruber costs three options to insure 3 million additional lives. Simply including the 3 million to Medicaid would cost $1.17 for each dollar value of insurance. The President's proposal to add $3000 worth of tax credits per family to buy insurance would cost taxpayers $3.24 for each dollar of insurance and would likely be available to about 5% of the uninsured. Rep. Gephardt's 2004 proposal to offer employers tax credits in addition to deductions would cost $2.36 per dollar of insurance.

http://www.nber.org/papers/w10977

Health Care Spending Slows & Current Annual Tab: $1,700,000,000,000.
U.S. health care spending grew at its slowest pace in seven years in 2003 due primarily to low increases in Medicaid and Medicare. Real declines in state spending in Medicaid due to tight state budgets and lower federal reimbursement to hospitals in Medicare reduced spending. Health care spending rose 7.7%, far outpacing overall economic growth and the general inflation rate. For the first time, health spending exceeded, what had been perceived as, a significant threshold of 15% of the GNP. The report
was released by the CMS Office of the Actuary.

While overall growth in spending slowed, consumer out-of-pocket spending grew to 7.6%. This was the only major area of growth. Consumer spending increases were due primarily to higher insurance co-pays and deductibles and out-of-pocket costs for prescription drugs. Overall, hospital costs rose 6.5% to $516 billion, physician costs rose 8.5% to $370 billion, and prescription drugs rose 10.7%, down from 15% in 2002 to $179 billion.

http://content.healthaffairs.org/cgi/content/abstract/hlthaff.24.1.185

Savings from Digitized Health Information
According to reports issued by a consortium of health organizations and researchers, $78 billion a year could be saved by moving to electronic patient records in a network with open communication standards. That is the estimated yearly savings after 10 years is in place across the nation according to researchers from Massachusetts General and Brigham and Womens Hospitals. The cost to doctors and hospitals of installing computers and networking equipments would be an estimated $276 billion over the next 10 years. If the communications standards were not fully open, the estimated savings would be sharply reduced. A report with similar findings was also given to the Bush Administration from the Markle Foundation also calling for an Internet-like system to be established incrementally over the next decade.

http://content.healthaffairs.org/cgi/content/abstract/hlthaff.w5.10

Costs Top Health Care Concerns
Twice as many more Americans view health care costs and the increasing number of uninsured as the most important concerns than they do malpractice lawsuits, according to a survey conducted by Kaiser Foundation and Harvard School of Public Health. Also ranking low was drug importation from Canada. To address the crisis of the uninsured about half of the survey respondents said they would be willing to pay more in taxes or insurance premiums to help expand coverage to the uninsured. Overall, health care ranked as the third most important issue, after the war in Iraq and the economy and tied with terrorism and national security. The survey report can be found at

http://www.kff.org/kaiserpolls/pomr011105pkg.cfm

Cancer Leading Cause of Death
Cancer has surpassed heart disease as the leading cause of death for persons under 85, according to a report by the American Cancer Society. Deaths from both diseases are falling, but heart disease mortality has declined more. Cancer death rates have declined about 1 percent per year since 1999 with the greatest declines in colon and lung cancer among men. Also, the sharply increasing lung cancer deaths among women have peaked. Heart disease sufferers also have benefited from better surgical techniques and devices and from better drugs to treat heart problems and control factors such as high blood pressure.

http://www.cancer.org/docroot/stt/stt_0.asp

CDC Corrects Obesity/Mortality Estimate
Blaming a computer software error, the CDC admitted overstating the nation's weight problem in a study that said obesity was about to overtake smoking as the chief cause of death in the US. The study published in JAMA last year said that between 1990 and 2000, obesity-related deaths climbed to 400,000—an increase of 100,000. In the correction, the agency lowered the increase to 65,000.

http://jama.ama-assn.org/cgi/content/full/293/3/293

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**Health Savings Accounts Reviewed**

The NY Times reviewed the current literature on HSAs in light of President Bush's agenda for an "Ownership Society." The Times noted that HSAs has not been proven to actually lower costs, nor have they been shown that employees are happy with them. A Washington Post article said that HSAs would allow consumers to "take control of their financial destinies" but that they could also "wreak havoc" on the healthcare system by luring young and healthy individuals from mainstream plans and "fracturing the risk pool" by leaving older people and those with chronic illnesses with higher risks and on-going costs.


**New USDA/HHS Dietary Guidelines: Eat less, exercise more**

According to new guidelines issued by the DHHS and the USDA, Americans who want to lose weight should eat fewer calories and exercise more. These findings were issued following one year of study by a 13-member panel of experts. Among specific recommendations were to eat 4.5 cups of fruits and vegetables per day, chose fats and carbohydrates wisely and restrict the level of trans fats. New among the guidelines were to avoid refined grains and eat whole grains. In response to the guidelines, Margo Wootan, nutrition director of the Center for Science in the Public Interest, said that while the guidelines were generally a step forward, What we need is significant investment in programs and changes in policy and the food environment that help Americans to eat better and watch their weight.

Also: http://www.healthierus.gov/dietaryguidelines/

Local coverage of the guidelines including discussion some of the politics of building a pyramid can be found at

http://www.jsonline.com/alive/well/jan05/292379.asp

**McDonalds Enrolls in Fight Against Obesity**

McDonalds, the world's largest seller of high caloric, low nutrient foods, will use its Ronald McDonald character to encourage fitness in kids. The new program will not discuss reduction of calories or healthy eating habits but instead focus entirely on the energy expenditure issues. Harvard psychologist and child advocate said the program was nothing but a marketing ploy and the amount of exercise these kids need to expend to all of the calories (from McDonalds) will take all day. Also, this month McDonalds reported $5 billion in sales in the U.S. and triple net income over last year.

Lawsuits against tax-exempt hospitals continue to grow
Last June, a Mississippi attorney who gained fame and fortune in his lawsuits against the tobacco companies filed the first lawsuits challenging the tax-exempt status of tax-exempt hospitals alleging that they were not meeting their duty of providing care to the poor and uninsured. The lawsuits allege that not only have the hospitals not provided care comparable to their benefits of their tax status, but that they charge the uninsured more than those who insured for the same service. To date, 46 lawsuits have been filed in 22 states, not including Wisconsin. An update on the status of the lawsuits is in this story in the Washington Post:

Kennedy Calls for Expansion of Medicare
Senator Edward Kennedy said that he would introduce legislation expanding Medicare to cover citizen. The program would be paid for combination of payroll taxes, general government revenue and savings gained from transitioning to electronic medical records. The payroll taxes would include a 1.7% charge to employee and 7% to employers. The plan would allow participants to enroll in Medicare or use their premiums to pay for a private plan. Additional savings would occur as a result of reductions in administrative fees. In the same address, Kennedy said that he would also seek a measure requiring all employers to give employees at least seven days of paid sick leave each year.
http://kennedy.senate.gov/~kennedy/statements/05/1/2005112713.html

Rural Physician Incomes on Par with Urban Physicians
A new study finds that average physician incomes in rural and urban areas do not differ significantly. Moreover, after adjusting for differences in the cost of living, physician work effort, specialty and other physician and practice characteristics, rural physicians on average have 13 percent more purchasing power than their urban counterparts.
http://www.hschange.org/CONTENT/725/