

**Subject:** June 2005 E-News

**From:** Judy Knutson

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## **UW POPULATION HEALTH INSTITUTE**

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The UW Population Health Institute's E-News is delivered monthly. Check our web site for additional information and updates: <http://www.pophealth.wisc.edu/wphi/index.html>. **To subscribe/unsubscribe to this ENews, please reply Judy Knutson at [jaknutso@wisc.edu](mailto:jaknutso@wisc.edu) with a message in the subject line.**

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.

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## STATE NEWS

### **Large Companies Fill BadgerCare Rolls; Cost State \$6.4 Million Annually**

Over 800 Wal-Mart employees and 400 employee's dependents are enrolled in the states BadgerCare program at a cost to the state of over \$2.7 million. Nine other major employers enroll an additional 2,000 employees on the state's Medicaid expansion program. Other employers in the top 5 are Aurora (321), Menards (217), MacDonald's (200), and Manpower (181).

The Wisconsin DHFS reports that these the 10 employers with the most participants in BadgerCare cost the state about \$6.4 million a year. In the *Milwaukee Journal Sentinel*, a Wisconsin DHFS spokesperson refers to these companies as "cost-shifting" and notes that this comes at a time when Wisconsin's Medicaid program is in crisis, facing a \$650 million budget gap over the next two years.

<http://www.jsonline.com/news/state/may05/328286.asp>

### **Fund Transfer to Fill Medicaid Gap Voted Down; Vote Affects Other Proposed Programs**

The Legislature's Budget-Writing Joint Finance Committee last month reject the transfer of \$180 million from the Injured Patients and Families Compensation Fund to other proposed health care uses, including plugging the Medicaid deficit in the budget. See:

<http://www.jsonline.com/news/state/may05/326871.asp>

The affected programs are addressed in the following Legislative Fiscal Bureau Budget Papers:

Injured Patients and Families Compensation Fund: <http://www.legis.state.wi.us/lfb/2005-07budget/BudgetPapers/450.pdf>

Overview of the Health Care Quality Improvement Fund: <http://www.legis.state.wi.us/lfb/2005-07budget/BudgetPapers/364.pdf>:

Health Care Quality and Patient Safety Board: <http://www.legis.state.wi.us/lfb/2005-07budget/BudgetPapers/106.pdf>

### **Legislature to Consider Medicaid PNC Eligibility for Immigrants and Incarcerated Women**

Governor Doyle's Budget proposed extending prenatal care to otherwise ineligible immigrant women and incarcerated women, noting that this change would ultimately save Medicaid money through reducing expenses on healthier Medicaid-eligible babies born to these women, and by leveraging federal matching funds. While the Legislative Fiscal Bureau and the Administrative estimates differ, the GPR savings in the base year are larger than previously anticipated within the Governor's budget. See the Legislative Fiscal Bureau budget Paper:

<http://www.legis.state.wi.us/lfb/2005-07budget/BudgetPapers/375.pdf>

### **Hospitals Consider "pay before you go"**

Major hospital systems are planning to require payment in advance of treatment- a major change in billing practice. These changes, recommended by the Wisconsin Hospital Association, come in the wake of increasing numbers of patients enrolled in high-deductible health plans. The requirement for pre-payment would not apply for emergency treatment but for scheduled service. Hospitals are concerned about increases in bad debt which has doubled in the period 1998-2003. Covenant Healthcare Systems is expected to begin prepayment next year.

[http://www.bizjournals.com/industries/health\\_care/hospitals/2005/05/23/milwaukee\\_story1.html?f=et163](http://www.bizjournals.com/industries/health_care/hospitals/2005/05/23/milwaukee_story1.html?f=et163)

### **Milwaukee Hospitals Discount Rates for Uninsured**

Major hospitals in Milwaukee now offer discounts to uninsured patients as a result of a series of lawsuits and congressional hearings following news accounts that these institutions charged poor and uninsured more than large insurers. As a result of these revelations, a large number of the uninsured is now eligible for free care or for steep discounts. Froedtert and Community Health has offered 100% discounts in some circumstances and Covenant Health Care is offering discounts of up to 80%.

<http://www.jsonline.com/bym/news/may05/326352.asp>

### **United Health Care Leads HMOs in Profits for 2004**

United Healthcare of Wisconsin reported net income of \$60 million in 2004, a 50% increase over the previous year. Generally, income for HMOs has declined in the past year due to limitations of price

increases and shrinking enrollments. Premium income increased 2.7%. Managed Health Services, the primary provider for Medicaid recipients had income of only \$2.9 million with an enrollment of 117,000. Compcare, the second largest HMO in the state had income of \$14 million.

[http://www.bizjournals.com/industries/health\\_care/health\\_insurance/2005/05/09/milwaukee\\_story6.html?f=et162](http://www.bizjournals.com/industries/health_care/health_insurance/2005/05/09/milwaukee_story6.html?f=et162)

### **Nine Counties Flunk Air Pollution Standard Tests**

Four million Wisconsin residents are at risk of respiratory disease as a result of living in areas with unsafe levels of air pollutants according to an EPA survey. In a review of 33 counties, most did not meet federal air standards. Five counties, however, received an "A" for good air quality: Marathon, Oneida, Sauk, Vernon and Vilas. An American Lung Association spokesperson said, that despite the nine "F"s, progress had been made statewide since last year.

<http://www.jsonline.com/alive/news/may05/324132.asp>

### **Lyme Disease Set for Big Increase in Wisconsin**

The incidence of Lyme disease increased substantially in 2004 with more than 1000 reported cases. The "hot regions" are those areas west of the Wisconsin River, particularly the northwestern part of the state. A 2004 census in a Stevens Point reserve found not only more ticks but also more ticks carrying the Lyme disease bacterium. The percentage of ticks carrying the bacterium doubled and the density of ticks was almost four or five times the usual number.

<http://www.jsonline.com/alive/news/may05/324145.asp>

### **Effects of PCBs and Mercury under Review**

Scientists are investigating the effects of two common pollutants on immigrant families in Green Bay and Appleton. A team is reviewing the effects of mercury and PCBs on developing children. These pollutants have been found in high concentrations in fish from the Fox River Valley. While research has reported extensively on effects of each separately, there have been few if any studies at the combined, interactive effects of the contaminants. The project will follow a group of about 700 Hmong and Laotian women through their pregnancies and then follow the children through infancy through adulthood. The project is funded by the EPA.

<http://www.jsonline.com/news/state/may05/326059.asp>

### **Tavern League Seeks Repeal of Smoking Ban**

The tavern industry has sponsored legislation that would repeal smoke free ordinances to go into effect in Madison and Appleton on July 1<sup>st</sup> and would repeal parts or all of similar ordinances in dozens of other cities. Under the proposal cities would be unable to restrict smoking in bars even if the bar is centrally located in the middle of a restaurant such as the usual floor plan for Appleby's. The bill advocated by the Tavern League is co-sponsored by Representative Fitzgerald and Senator Fitzgerald, Republicans from the Beaver Dam area. The bill is likely to be passed by the Assembly Committee on State Affairs. Governor Doyle has said he would veto the bill because it preempts local authority.

<http://www.madison.com/tct/news/stories/index.php?ntid=40978&ntpid=4>

### **Study: State's SeniorCare a Better Deal**

The Wisconsin AARP released a report arguing that SeniorCare, Wisconsin's program to help low-income senior citizens buy prescription drugs, is a better deal for Wisconsin, the federal government and program participants than Medicare Part D -- a similar federal program poised to replace it. The report presents four primary points in favor of preserving SeniorCare and allowing Wisconsin seniors to choose between SeniorCare and Medicare Part D:

1. The federal government will spend an estimated \$25 million less in 2006 to support the continuation of SeniorCare than it would cost to cover the same population under Medicare Part D.
2. SeniorCare depends on a federal 1115 Pharmacy Plus waiver to leverage most of its funds. Every dollar currently spent on SeniorCare under the federal SeniorCare waiver leverages \$4.35 from other sources, including manufacturer rebates and beneficiary cost-sharing.
3. Out-of-pocket costs for SeniorCare participants are consistently lower than they are under Medicare Part D at every income level except for very low income Medicare beneficiaries.
4. If SeniorCare were discontinued it would cost the state almost \$100 million more to hold participants harmless by providing a Medicare Part D "wrap around."

[http://www.aarp.org/states/wi/wi-news/aarp\\_report\\_shows\\_wi\\_legislators\\_how\\_to\\_preserve\\_p.html](http://www.aarp.org/states/wi/wi-news/aarp_report_shows_wi_legislators_how_to_preserve_p.html)

## **RESEARCH AND PROGRAM TOOLS**

### **Public Health of Indians Focus of American Journal of Public Health**

The May issue of the *American Journal of Public Health* focuses on the public health and health access concerns of American Indians. Articles address special issues of Medicaid, oral health, the politics of school immunization, tuberculosis and the under-estimation of the actual prevalence of cardiovascular disease among American Indians.

<http://www.ajph.org/content/vol95/issue5/>

### **2005 Statistical Abstract of the U.S. Available on-line**

Just about everything you want to know about the US is now available on line in the 1500-page statistical abstract. It includes thousands of tables covering every topic including 200 tables on health and nutrition. Almost all of the data is national, but some are state and regional. Among the nuggets: Wisconsin's number of physicians per capita is exactly the national average: 256/100,000; however, our 918/100,000 nurses exceeds the national average of 793. The number of hospital beds in Wisconsin declined from 18,600 in 1990 to 14,600 in 2002. The average number of calories consumed increased from 3,200 in 1970-79 to 3,900 in 2000.

<http://www.census.gov/prod/2004pubs/04statab/health.pdf>

### **MEDICARE Briefing Transcript and Materials : "Medicare Basics, From (Part) A to D"**

May 16, cosponsored by Kaiser Family Foundation

Transcript [http://www.kaisernetwork.org/health\\_cast/uploaded\\_files/051615\\_alliance\\_medicarebasics\\_transcript.pdf](http://www.kaisernetwork.org/health_cast/uploaded_files/051615_alliance_medicarebasics_transcript.pdf)

Materials [http://www.allhealth.org/event\\_051605.asp](http://www.allhealth.org/event_051605.asp)

Webcast [http://www.kaisernetwork.org/health\\_cast/hcast\\_index.cfm?display=detail&hc=1431](http://www.kaisernetwork.org/health_cast/hcast_index.cfm?display=detail&hc=1431)

## **Vaccine Program Briefing Transcript and Materials: Boosting the Development and Distribution of Vaccines in the U.S. and Worldwide"**

May 23, cosponsored by *Health Affairs*

Transcript [http://www.allhealth.org/recent/audio\\_05-23-05/1427%20-%2020052305\\_alliance%20vaccines.pdf](http://www.allhealth.org/recent/audio_05-23-05/1427%20-%2020052305_alliance%20vaccines.pdf)

Materials [http://www.allhealth.org/event\\_052305.asp](http://www.allhealth.org/event_052305.asp)

Webcast [http://www.kaisernetwork.org/health\\_cast/hcast\\_index.cfm?display=detail&hc=1436](http://www.kaisernetwork.org/health_cast/hcast_index.cfm?display=detail&hc=1436)

## **EVENTS**

### **Save the Date**

***Transformation in Health, Health Care and the Academic Medical Center:***

**November 17-18, 2005**

Monona Terrace Convention Center, Madison

Conference produced by the UW Population Health Institute, in collaboration with the The Wisconsin Partnership Fund for a Healthy Future and the UW Medical Foundation

## **READING ROOM**

### **Malpractice Payouts & State Caps: New Studies in Health Affairs and JAMA**

A new study published in this month's *Health Affairs* reports that, contrary to popular belief, growth in malpractice payments was consistent with increases in health care spending between 1991 and 2003. In fact, payments grew only 4 percent per year during that period, according to a study released today by the journal *Health Affairs*. According to the authors, extreme judgment awards did not drive the increases.

Meanwhile, another online *Health Affairs* study released today finds that physicians are gravitating toward states that have capped malpractice awards. This trend is particularly pronounced among obstetricians, who are most vulnerable to lawsuits. Between 1975 and 2000, the number of obstetricians in states that had enacted caps in the 1980s increased five times more than in those states without caps (40 percent versus 8 percent).

<http://content.healthaffairs.org/cgi/content/abstract/hlthaff.w5.240>

At the same time, this week's *Journal of the American Medical Association (JAMA)* reports that physician concerns about malpractice risk may influence patient care and other professional decisions. Two articles provide data on these issues. First, Studdert and colleagues report results of a survey of Pennsylvania physicians representing 6 specialties at high risk of litigation for their practice of defensive medicine. Of the physicians surveyed, 93% reported practicing defensive medicine, particularly assurance behaviors such as ordering more tests, prescribing more medications, and performing more

procedures to confirm diagnoses. In the second article, Kessler and colleagues report results of their analyses of state-level data, which linked certain types of malpractice reforms with an increase in supply of physicians in high-risk specialties. In an editorial, Budetti discusses the need for innovative approaches to tort reform that combine evidence-based medicine with patient safety protections.

<http://jama.ama-assn.org/cgi/content/full/293/21/2565>

### **Progress on Patient Safety: Five Years After *To Err is Human***

Five years ago, the Institute of Medicine (IOM) issued its landmark report on medical errors, *To Err Is Human: Building a Safer Health System*. The report's finding that as many as 98,000 people die each year due to medical errors ignited professional and public dialogue. Patient safety has since become a frequent topic for journalists, health care leaders, and consumers, but is health care any safer now? And if not, why not?

Two authors of the IOM report, Lucian Leape, M.D., of the Harvard School of Public Health, and Donald Berwick, M.D., of the Institute for Healthcare Improvement, endeavor to answer these questions in "Five Years After To Err Is Human: What Have We Learned?" (*Journal of the American Medical Association*, May 18, 2005). Despite finding small improvements at the margins—fewer patients dying from accidental injection of potassium chloride, reduced infections in hospitals due to tightened infection control procedures—it is harder to see the overall, national impact, Leape and Berwick say. "[T]he groundwork for improving safety has been laid in these past five years but progress is frustratingly slow," they write.

<http://jama.ama-assn.org/cgi/content/short/293/19/2384>

### **Stress from Discrimination Linked to Poor Health Status of African Americans**

Studies have linked discrimination to higher rates of depression, and a small number have found associations with risk factors for physical disease such as high blood pressure. This study links discrimination and the early stages of heart disease. The study collected data from 181 black women ages 45 to 58 in Chicago and Pittsburgh participating in the national Study of Women's Health Across the Nation. The more discrimination the women reported, the more likely they were to report calcification even after accounting for high blood pressure, cholesterol, smoking, age and body weight.

<http://www.medicalnewstoday.com/medicalnews.php?newsid=23753>

### **Effect of Designated Driver Programs Questioned**

A CDC study found that publicity campaigns may lead to small, temporary increases in use of designated drivers, few studies offered any indication that designated-driver program cut drunk driving. Also, the group found no studies indicating reduction in alcohol-related car crashes or injuries. The study's author also found that few designated drivers actually abstain from drinking. The study was published in *American Journal of Preventive Medicine*.

[http://www.sciencedirect.com/science?\\_ob=IssueURL&\\_tockey=%23TOC%236075%232005%23999719994.8998%23595582%23FLA%23Volume\\_28,\\_Issue\\_5,\\_Supplement\\_1,\\_Pages\\_223-309](http://www.sciencedirect.com/science?_ob=IssueURL&_tockey=%23TOC%236075%232005%23999719994.8998%23595582%23FLA%23Volume_28,_Issue_5,_Supplement_1,_Pages_223-309)

### **Serious Health Risks from Secondhand Smoke**

Even occasional exposure to secondhand smoke can have dangerous health consequences, according to researchers from the University of California at San Francisco. Researchers said that secondhand smoke is only about 20% less dangerous than actually smoking and that even small amounts can raise the risk of heart attack.

"It doesn't take much to cause big effects," said author Stan Glantz. "If you already have compromised coronary circulation and go into a smoky environment, there is a substantial increase in you risk of an acute event." The study was published in *Circulation*.

<http://www.healthday.com/view.cfm?id=525841>

### **Prescription Drug Affordability Continues Decline**

About one out of five American adults go without prescription drugs for chronic disease because they cannot afford them. More than half of these individuals have incomes below 200 percent of the federal poverty level, according to a study by the Center for Studying Health System Change. One out of eight privately insured, working age persons with chronic diseases also reported not filling at least one prescription because of cost. The study also found that regardless of insurance coverage about half of low-income working age adults with chronic conditions paid more than 5% of their incomes for medical expenses in 2003.

<http://www.hschange.org/CONTENT/738/>

### **Study Links Alcohol-Themed Merchandise and Underage Drinking**

Researchers called on the alcohol industry to stop selling alcohol-related promotional items like logo hats and shirts, saying that youth who wear these items are more likely to be underage drinkers. "The study shows that promotional items are related to early onset drinking, and I think the responsible thing to do would be for these industries to quit distributing them," said Dr. James Sargent of the Dartmouth-Hitchcock Medical Center. Sargent noted that similar tobacco-branded items were banned under the nationwide settlement agreement with the tobacco industry in 1998. The study noted that the alcohol industry spends in excess of \$1 billion per year in advertising and marketing.

<http://www.beawarenow.org/news/index.php?id=283>

### **Stem-Cell Research Bill Passes in House**

The House has passed a bill that would loosen restrictions on federal funding for embryonic stem-cell research. The Senate is expected to pass an identical bill soon, but President Bush has threatened to veto the measure.

<http://bcbshealthissues.com/proactive/newsroom/release.vtml?id=162271>

### **Secretary Tommy Thompson Speaks Out in *Health Affairs***

Former Governor and DHHS Secretary Thompson discusses health care costs, the role of preventive medicine and disease management with Health Affairs editors. In the interview, Thompson defends the FDA's handling of Vioxx and makes recommendations to his successor, Mike Leavitt.

<http://content.healthaffairs.org/cgi/content/abstract/hlthaff.w5.225>

### **"Pay-for-Performance" an Imperfect Cost-Control Tactic**

Harvard economist Meredith Rosenthal testified before a House subcommittee to fund more research by

the federal Agency for Healthcare Research and Quality to find approaches that increase the likely gains in savings and quality from pay-for-performance programs.

[http://www.cmwf.org/healthpolicyweek/healthpolicyweek\\_show.htm?doc\\_id=277770](http://www.cmwf.org/healthpolicyweek/healthpolicyweek_show.htm?doc_id=277770)

### **Financial Impact of Healthcare on Families Examined**

A new report by consulting firm Milliman says that the average American family of four will use \$12,214 worth of medical products and services in 2005, up 45 percent from \$8,414 in 2001.

<http://bcbshealthissues.com/proactive/newsroom/release.vtml?id=162474>

### **Study Commission for Medicaid Program Established**

Health and Human Services (HHS) Secretary Mike Leavitt formally established the Medicaid study commission called for in the fiscal year 2006 Congressional budget resolution. Voting members of the commission will

include Leavitt or his designee; federal Medicaid officials; current or former governors; current or former state Medicaid directors; three health care policy experts from public policy organizations; and other

"individuals with expertise in health, finance or administration."

<http://bcbshealthissues.com/proactive/newsroom/release.vtml?id=161930>

The May 24, 2005 Federal Register notice announcing the Commission and the group's charter:

<http://www.cms.hhs.gov/faca/mc/frnotice.pdf>

<http://www.cms.hhs.gov/faca/mc/charter.pdf>

However, House and Senate Democrats said they would not appoint members of their party to the Commission, stating that the Commission is charged with finding \$10 billion in cuts to Medicaid. While HHS Secretary Leavitt will appoint up to 15 voting and 15 non-voting members to the commission, lawmakers of both parties were asked to appoint eight members to serve in non-voting positions.

[http://www.cmwf.org/healthpolicyweek/healthpolicyweek\\_show.htm?doc\\_id=278529&#doc278534](http://www.cmwf.org/healthpolicyweek/healthpolicyweek_show.htm?doc_id=278529&#doc278534)

### **Proposals to Cut Medicaid Made by State Panels**

Memos from the National Governors Association and the National Conference of State Legislators recommend mechanisms to cut Medicaid costs by an initial \$10 billion per year. Among the proposals included in the package are to raise co payments for Medicaid services, increase the use of "reverse mortgages" to pay for long-term care, require states to establish different benefit packages for different populations and move federal oversight to a block grant mechanism. Health care providers, beneficiary advocates such as AARP and Families USA are gearing up to oppose major changes in benefits.

[http://www.kaisernetwork.org/daily\\_reports/rep\\_index.cfm?DR\\_ID=29912](http://www.kaisernetwork.org/daily_reports/rep_index.cfm?DR_ID=29912)

### **30% of Young Adults Uninsured**

The number of uninsured among persons 19 to 29 years old soared 20% between 2001 and 2003. The increase, from 11.2 million to 13.4 million makes young adults the fastest growing group with health insurance according to a study of the Commonwealth Fund. Given current trends two thirds of people ages 19 to 23 will likely go without insurance at some time during the next four years. Researchers found that a growing number of young people are taking jobs without health benefits and are too old to

qualify for their parents insurance.

[http://www.cmwf.org/publications/publications\\_show.htm?doc\\_id=275323](http://www.cmwf.org/publications/publications_show.htm?doc_id=275323)

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Judy Knutson

University of Wisconsin

Population Health Institute

610 Walnut Street, Suite 760

Madison, WI 53726-2397

Phone: 608-263-6294

Fax: 608-262-6404

<http://www.pophealth.wisc.edu/uwphi/>