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VICTORY!

AB 1073 Becomes 2005 Wisconsin Act 183

Just over eight months after the Wisconsin Supreme Court overturned the state's cap on non-economic damages, a new cap will soon be in place. On Wednesday, March 22, Governor Doyle signed AB 1073 into law. Wisconsin's new cap will take effect in early April as 2005 WI Act 183.

"I can not overstate the importance of this victory for health care access in Wisconsin," said WHA President Steve Brenton. "The legislators, Republican and Democrat, who stood with us and voted for AB 1073 deserve a great deal of credit. They looked into the future, saw the brewing access crisis, and did something about it today. Addressing a problem *before* it reaches the crisis point doesn't score a lot of political points, but it does with us and our members."

AB 1073 passed with overwhelming bipartisan majorities in both houses. ***A list of those who voted for and against AB 1073 is available on WHA's Web site at www.wha.org.*** (continued on page 2)

Wisconsin Hospitals Political Action Fundraising Campaign Set to Begin

The 2006 annual political action fundraising campaign will kick off in the next couple of weeks. After achieving a record year in raising just over \$175,000 in 2005, the goal this year is even higher as 2006 is an election year, and there are many candidates who need support in their reelection efforts. The 2006 campaign goal is to raise \$185,000, making incremental steps toward the long-term goal at the end of 2008 to raise \$200,000.

"Working to elect public officials who understand how important the hospital is to the community in terms of access to health care and as an economic development engine lays the foundation for good health care public policy making," said WHA's Vice President of Government Affairs Jodi Bloch.

"Candidates for elected office have to run extensive campaigns throughout the course of several months and need to get their message out early and often," Bloch adds. "And that means because this is an election year, it is particularly important to think about increasing your contribution and sending it in early."

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Guest Column

Enrollment in HSA Plans Continues Rapid Growth

By Jon Braddock, Senior Vice President, WHA Financial Solutions

A high deductible health plan with a health savings account (HDHP/HSA) is still a new concept that's just completing its second year in existence. There continues to be much debate and a mixed bag of emotions – both positive and negative – as to the viability of the HDHP/HSA concept. One thing I believe we can all agree on is that HDHP/HSA plans have become an important option for individuals as well as small businesses struggling to provide affordable health coverage for their employees.



Jon Braddock

Created as part of the Medicare Modernization Act in 2003, HSAs have been available since January 1, 2004. The HSA permits individuals and employers to contribute funds for future medical expenses. These funds belong to the individual, accumulate tax-free, allow for tax-free withdrawals for qualified medical expenses, and unused balances may be rolled over from year to year. By law, an HSA must be accompanied by a qualified HDHP.

As Steve Brenton pointed out in his March 10 *Valued Voice* column, "HSAs should be embraced as a mechanism to improve access and to moderate health care costs." Many opponents are saying it is just a "flash in the pan" with a host of negatives for the average consumer. Regardless of which side of the argument one might be on, it's hard to ignore the facts. Accordingly, I would like to dispel some myths with facts from a survey published last week by America's Health Insurance Plans, a Washington-based trade association.

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"We commend all 99 members who voted for this critical legislation," said Brenton. "But AB 1073 would not have been in front of Governor Doyle to sign if not for the particularly notable efforts of Sen. Fitzgerald (R-Juneau), Speaker Gard (R-Peshtigo), Rep. Gielow (R-Mequon), Rep. Huebsch (R-West Salem), Sen. Jauch (D-Poplar), Sen. Miller (D-Madison), Sen. Schultz (R-Richland Center) and Rep. Wasserman (D-Milwaukee)."

In a statement released immediately after the bill signing, Brenton also commended Governor Doyle and his staff "for understanding the important role a cap plays in assuring we have good doctors in Wisconsin and in our community hospitals."

"The Governor had said all along he would sign a constitutional cap, and we believe that's exactly what he signed today. We commend him for doing the right thing and enacting this overwhelmingly bipartisan legislation."

WHA partnered with the Wisconsin Medical Society and other allies in the medical community in a massive lobbying effort that spanned all of the eight months since the cap was overturned. That partnership paid off.

"Rather than wielding threats or relying on out-of-state front groups as our opponents did, WHA followed a strategy of partnering with our allies in the Wisconsin medical community, talking about the facts and realities of what is happening in this state, and fully engaging the force that *is* our member hospitals to effectively communicate the urgent importance of reinstating this cap, and it worked," said WHA's Eric Borgerding. "AB 1073 demonstrates how hard work and strong lobbying by a united medical community can win the day."

In addition to the Capitol lobbying effort, WHA's retooled grassroots machine, "HEAT," generated well over 1,000 phone calls, emails and letters to legislators and Governor Doyle over the eight-month span.

"On July 14 (the day the cap was overturned), WHA and the Wisconsin Medical Society stood side-by-side at a Capitol press conference and vowed to reinstate this cap – and this week we delivered," said Brenton. "This was a massive, multi-faceted strategy and is a prime example of how to do things the right way in the Capitol. We look forward to building on this success as we tackle other key issues in the future, particularly Medicaid."

What Now?

The new \$750,000 cap applies to acts or omissions of a health care provider that occur on or after the effective date of the Act. The effective date of the new cap should be very soon, as it must go into effect within 10 working days of the Governor's signature.

Whether Act 183 will be found constitutional or not is the sole remaining, yet very significant, issue. As expected, leaders from the Wisconsin Academy of Trial Lawyers blasted the bill signing and all those involved in its enactment, and vowed a rapid effort to overturn the new law and again expose Wisconsin's health care system to endless lawsuits and limitless jury awards.

"The Wisconsin Academy of Trial Lawyers is surprised that the Governor signed this unconstitutional legislation. It is contrary to his previous record and positions in support of Wisconsin citizens' right to a jury trial and full access to justice in our court system," said WATL President Dan Rottier. "The Wisconsin Academy of Trial Lawyers ... will now proceed to fight the next battle in the Courts."

Unfortunately for its opponents, Act 183 received not only overwhelming bipartisan support in the Legislature and from Governor Doyle, but it features a beefed up constitutional emphasis that should bode well for the next challenge.

Former Supreme Court Justice William Bablitch and noted UW Law School constitutional law expert Gordon Baldwin have already indicated their strong belief that the Court will uphold Act 183. It was also announced this week that two of the three UW Law School professors Governor Doyle relied on to veto the previous cap legislation (AB 766) also believe the new law will be upheld. *(continued on page 4)*

President 's Column

Next week WHA's CheckPointSM initiative celebrates its second anniversary. And there *is* much to celebrate! With just 24 months of experience, CheckPoint can boast of considerable growth in hospital participation and strong evidence that public reporting is *improving* patient care.

Two years ago, CheckPoint featured 10 medical services measures (heart attack, heart failure and pneumonia) reported by 97 hospitals. Today, CheckPoint measures 14 medical services now reported by 118 hospitals that account for close to 99 percent of inpatient care provided in Wisconsin. And eight surgical infection prevention measures were added in December with 39 hospitals already reporting those measures to CheckPoint.

CheckPoint's unique patient error prevention measures were initially reported by 69 Wisconsin hospitals. Today, 111 hospitals participate in that effort, and a new medication reconciliation measure has been added to the initial roster of five measures.

With just 24 months of experience, CheckPoint can boast of considerable growth in hospital participation and strong evidence that public reporting is improving patient care.

Ultimately, CheckPoint will be judged by demonstrated patient care improvement, not hospital participation (which will likely be assumed). Results on this front are equally impressive (www.wicheckpoint.org/about/statewide_achievements2.php), in some cases...dramatic improvement is documented.

Two years ago, the WHA task force that developed the CheckPoint initiative suggested that public reporting of benchmarkable measures would lead to four important outcomes:

- 1) Help Wisconsin citizens learn more about health care.
- 2) Make evidence-based health information publicly available and understandable.
- 3) Assist hospitals and clinicians improve performance, thereby improving the overall quality of patient care.
- 4) Provide information that employers and insurers can use as they design benefit packages.

Just 24 months later, it's safe to say that the first three objectives are being accomplished, and the fourth objective is on the horizon.

In most cases, any initiative, program or organization that's just two years old is still considered either "new" or "start up." And that's the case with CheckPoint. As we add new measures in the future (including patient experience scores in 2007), we will further advance the goals anticipated by WHA's task force that laid the groundwork for this important initiative.

Steve Brenton
President

SPECIAL NOTE: The **WHA Leadership Survey** was distributed directly to hospital and health system leaders in electronic format on Wednesday, March 22, and in written format on Thursday, March 23. **Please complete either the online or written version of the survey by April 17.**

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According to the Governor's statement on signing AB 1073, "Governor Doyle consulted the same legal experts on Assembly Bill 1073 (as AB 766), and two out of three indicated that the cap of \$750,000 would most likely be upheld by the Supreme Court.

WHA General Counsel Laura Leitch says AB 1073 was the product of thorough vetting in the legislative process; a key element in establishing the "rational basis" relied on by certain members of the Court to determine constitutionality.

"This bill was crafted with the Court in mind first, the legislative and political process second," said Leitch. We are confident this new law will be found constitutional by a majority of the Court and look forward to defending it just as vigorously there as we did in the Legislature."

Continued from page 1... Wisconsin Hospitals Political Action Fundraising Campaign to Begin

The Wisconsin Hospital political action funds help enable individual political involvement through making a contribution to any of the three Wisconsin Hospitals political action funds – the Wisconsin Hospitals Conduit, the Wisconsin Hospitals PAC, and the new federal fund – the Wisconsin Hospitals Federal PAC. These contributions are used to help elect candidates who understand the value of hospitals.

"It's true that politics is not a spectator sport, and WHA members have long recognized that," says WHA President Steve Brenton.

WHA Advocacy Committee Chair Ned Wolf further explains that, "The industry will continue to face many challenging issues in the coming session, including the funding of Medicaid and Medicare in the state and federal budget processes; it will be important to participate by bringing these and other issues to the forefront in this important 2006 election season."

Materials will be mailed to hospital CEOs in the next two weeks. If you have questions about the 2006 fundraising campaign, contact WHA's Jodi Bloch or Jenny Boese at 608-274-1820.

Leadership Survey Distributed March 23; Responses Due April 17

Now is the opportunity for WHA leaders to rate the Association's effectiveness and value. WHA is conducting a *confidential leadership survey* during March and April, the results of which will be shared with members as early as mid-May and be used by the WHA Board during the summer planning session.

WHA has contracted with the California-based organization, *SatisfactionWorks*, to conduct the survey. This organization undertakes similar benchmark surveys for state hospital associations across the country. In fact, *SatisfactionWorks* conducted a WHA leadership survey in 2003. Results from that survey will be benchmarked with results from the 2006 effort.

Leadership participation in the confidential survey will be critical to the success of this effort. An astounding 80 percent plus participation rate in 2003 can be duplicated this year. Only 10-15 minutes will be needed to complete the survey instrument, which can be completed online or in written format, and will then be forwarded directly to *SatisfactionWorks*.

Leaders have been instructed how to access the survey when it became available on March 23. Significant participation, followed by incorporation of survey findings into WHA's current and future programming, will enhance member value of WHA. If you have questions regarding this satisfaction survey, contact Jennifer Frank at 608-274-1820 or email jfrank@wha.org.

WHA Members Move a Step Closer to Community Benefit Public Reporting Training sessions focus on “what counts”



*Marlene Hulteen,
Corporate Vice
President, Michigan
Health & Hospital
Association*

Wisconsin Hospital Association member hospitals this week moved a step closer to being ready to publicly report community benefits. Over 160 people attended one of the training seminars held in Eau Claire, Oconomowoc, and Stevens Point that provided guidance on the new WHA Community Benefit Survey. The online survey tool will standardize the collection of community benefits statewide, which in turn, will facilitate WHA’s release of a statewide hospital community benefit report later this summer.

WHA is partnering with the Michigan Health and Hospital Association (MHA) and using the survey tool they developed and have had in use for nearly a decade. MHA’s Marlene Hulteen facilitated at the WHA training sessions and shared a wealth of information on how to accurately collect community benefits and report them on the online survey.

Hulteen urged the group to be aware that publicly reporting community benefits requires more than just filling in the survey.

“Data is important, but it is the stories of how hospitals help real people that truly illustrates our importance in the community,” Hulteen shared with her audiences. “The numbers are important when communicating with legislators and community leaders, but the public relates to stories about people who are in situations similar to their own.”

The WHA Task Force on Community Benefits provided initial guidance and support for publicly reporting community benefits. WHA’s George Quinn and Brian Potter provided an overview of the work plan approved by the Task Force and

staff, while Mary Kay Grasmick offered suggestions on how to collect “real stories” and described how the data and stories will be used to produce an aggregated statewide report. Grasmick emphasized that stories and data together will give the community and legislators an accurate picture of how a hospital benefits the community.

“We not only improve people’s health, we improve the quality of their lives,” Grasmick said.

WHA President Steve Brenton said Wisconsin hospitals have taken a proactive approach to public reporting and have remained committed to providing information that will help consumers navigate the health care delivery system.

“Reporting community benefits is another facet of our larger transparency agenda, which to date, has been one of the most successful efforts of its kind in the nation,” according to Brenton. “We look forward to working with our members as together we prepare for the public release of our community benefit data and stories.”



*Hospital staff members listen attentively at the
Community Benefits Reporting Training held
March 22 in Oconomowoc.*



*Brian Potter, Vice
President, WHA*

HEAT SNAPSHOT: Grassroots Campaign on Medical Liability Cap Over 50 hospitals meet personally with legislators



As WHA worked tirelessly in the State Capitol to urge legislators to support Assembly Bill 1073, hospitals and HEAT members throughout the state did likewise by working tirelessly on grassroots contacts with their elected officials. WHA wants to spotlight one element of the grassroots campaign on AB 1073 undertaken by our members: face-to-face meetings.

As legislative action on AB 1073 progressed, Wisconsin hospitals, their physicians, board members, staffs and volunteers held at least 50 face-to-face meetings with their legislators to discuss AB 1073. Those meetings were an essential component of WHA's grassroots strategy, which helped to garner:

- ◆ 61 legislative cosponsors of Assembly Bill 1073, including 10 Democrats,
- ◆ a 74-22 vote in the Assembly, including 16 Democrats in support,
- ◆ a 25-8 vote in the Senate, including 6 Democrats in support, and
- ◆ the Governor signing AB 1073 into law on March 22!

"WHA cannot thank our members enough for their support and efforts on AB 1073," said WHA President Steve Brenton. "We know our hospitals worked aggressively to make certain their legislators knew where Wisconsin hospitals stood on this issue. We know legislators felt the HEAT."

WHA and the HEAT program want to publicly highlight the hospitals that held face-to-face meetings with their legislators in the past several months:

- Sen. Breske with St. Mary's-Sacred Heart-Ministry Health Care (Rhineland)
- Sen. Erpenbach with Meriter (Madison)
- Sen. Erpenbach with Monroe Clinic
- Sen. Fitzgerald with Fort HealthCare (Fort Atkinson)
- Sen. Hansen with St. Mary's (Green Bay)
- Sen. Hansen with Bay Area Medical (Marinette)
- Sen. Jauch with Memorial Medical (Ashland)
- Sen. Lassa with Saint Joseph's-Ministry Health Care (Marshfield)
- Sen. Lassa with Saint Michael's-Ministry Health Care (Stevens Point)
- Sen. Leibham with St. Nicholas (Sheboygan)
- Sen. Leibham with Holy Family Memorial (Sheboygan)
- Sen. Kanavas with Waukesha Memorial Hospital
- Sen. Miller with Stoughton Hospital
- Sen. Olsen with St. Clare (Baraboo)
- Sen. Plale with Columbia St. Mary's (Milwaukee)
- Sen. Robson with Beloit Memorial
- Sen. Schultz with Upland Hills (Dodgeville)
- Sen. Schultz with Gundersen Lutheran (La Crosse)
- Sen. Risser with Meriter (Madison)



Sen. Erpenbach (D-Middleton), left, meets with CEO Terri Potter and others at Meriter Hospital. Sen. Erpenbach voted in support of AB 1073.

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Grassroots Spotlight *(continued)*

- Sen. Wirch with Aurora South Region
- Rep. Benedict with Beloit Memorial
- Rep. Berceau with Meriter (Madison)



Sen. Fitzgerald (R-Juneau) and Rep. Ward (R-Fort Atkinson) meet with over 50 staff of Fort HealthCare in Fort Atkinson on AB 1073. Sen. Fitzgerald spearheaded AB 1073 through the Senate and both legislators voted in support.

- Rep. Berceau with St. Marys (Madison)
- Rep. Davis with Monroe Clinic
- Rep. Gard with Bay Area Medical (Marinette)
- Rep. Gard with Bellin (Green Bay)
- Rep. Gard with St. Vincent's (Green Bay)
- Rep. Hebl with Stoughton Hospital
- Rep. Hines with St. Clare (Baraboo)
- Rep. Kreibich with Saint Joseph's-Ministry Health Care (Marshfield)
- Rep. Kreibich with Sacred Heart (Eau Claire)
- Rep. John Lehman with Aurora
- Rep. Meyer with St. Mary's-Sacred Heart-Ministry Health Care (Rhineland)

- Rep. Molepske with Saint Michael's-Ministry Health Care (Stevens Point)
- Rep. Moulton with St. Joseph's (Chippewa Falls)
- Rep. Lee Nerison with St. Joseph's (Hillsboro)
- Rep. Owens with Waupun Memorial
- Rep. Pocan with Meriter (Madison)
- Rep. Richards with Columbia St. Mary's
- Rep. Pope-Roberts with Meriter (Madison)
- Rep. Schneider with Moundview Memorial (Friendship)
- Rep. Sherman with Memorial Medical (Ashland)
- Rep. Shilling with Franciscan Skemp (La Crosse)
- Rep. Shilling with Gundersen Lutheran (La Crosse)
- Rep. Van Akkeren with St. Nicholas (Sheboygan)
- Rep. Van Roy with St. Mary's (Green Bay)
- Rep. Vruwink with Saint Joseph's-Ministry Health Care (Marshfield)
- Rep. Mary Williams with Park Falls & Medford
- Rep. Ward with Fort Healthcare (Fort Atkinson)
- Rep. Wood with St. Joseph's (Chippewa Falls)
- Rep. Ziegelbauer with Holy Family Memorial (Manitowoc)



Rep. Ziegelbauer (D-Manitowoc), center, at Holy Family Memorial in Manitowoc with Sr. Laura Wolf, President of Franciscan Health Care Ministry, and HFM CEO Mark Herzog. Rep. Ziegelbauer cosponsored AB 1073 and voted in support.

We apologize if your hospital met with your legislators but is not listed above. Please let Jenny Boese know at jboese@wha.org or 608-268-1816. We can't thank you enough for your grassroots advocacy!

‘Shaken Baby’ Legislation Becomes Law

This past Tuesday, March 21, Governor Doyle signed SB 221 into law, which will require educators, daycare providers and hospitals to provide education regarding the risk of shaken baby syndrome and how to avoid situations that might place newborns at risk.

Sen. Julie Lassa (D-Stevens Point), the bill’s author, said, “It is important for parents and caregivers to remember that when they find themselves at a breaking point because their child won’t stop crying, they need to put that child in a safe place and take a break or call someone for help. The only way to prevent Shaken Baby Syndrome is through education, and I am extremely pleased that this bill has become law because I know it will save lives.”

The state of New York reports that since the inception of a similar law there, the incidence of shaken baby syndrome has declined nearly 50 percent. The bill in Wisconsin creates a registry at DHFS to measure the incidence of Shaken Baby Syndrome so that Wisconsin can track the incidence patterns here.

Specifically, for hospitals the law requires that education materials be distributed to parents of an infant born in a hospital by the attending physician, attending nurse midwife, or a trained, designated staff member *before* the infant is discharged. That person is also required to inform the parents of the availability of audiovisual materials and to make those materials available. That same person must also provide those parents with a form that includes all of the following:

1. A statement that the parent has been advised as to the grave effects of shaking or throwing an infant or young child and of appropriate ways to manage crying, fussing, or other causes that can lead a person to shake or throw an infant or young child.
2. A telephone number that the parent may call to obtain assistance on how to care for an infant or young child.
3. A statement that the parent will share that information with all persons who provide care for the infant.

The written and audiovisual materials to be distributed in hospitals are being prepared by the Child Abuse and Neglect Prevention Board (CANPB) for DHFS. These materials will include: information regarding the identification and prevention of shaken baby syndrome and impacted babies; the grave effects of shaking or throwing an infant or young child; appropriate ways to manage crying, fussing, or other causes that can lead a person to shake or throw an infant or young child; and a discussion of ways to reduce the risks that can lead a person to shake or throw an infant or young child.

Materials are required to be ready for distribution in about a year from now, and at that time hospitals will be required to distribute the information to new parents.

While not objecting to the need for greater education on this subject to inform parents and protect infants, WHA provided informational testimony on the already numerous expectations placed on hospital staff and on parents during the brief hospital stay associated with the birth of a newborn. Some changes were made to address some of our concerns, including eliminating the requirement that all parents watch a video and sign an agreement before discharge -- expectations that would have been more difficult to achieve than offering the availability of these materials if they want to view them.

For more information about this legislation, contact WHA’s Judy Warmuth or Jodi Bloch at 608-274-1820.

WHA Educational Opportunities

JCAHO Continuous Survey Readiness Seminars Offered May 9-10

The final implementation phase of the Joint Commission on Accreditation of Healthcare Organizations' (JCAHO) *New Visions – New Pathways* initiative was started with the introduction of unannounced surveys, beginning in January 2006. All of the new challenges remain in place: Internet-posted quality reports, tracer-patient methodology, and the priority-focused processes, and now, being ready for an unannounced survey. Organizations cannot “ramp up” - they must develop strategies for continuous compliance.

The May 9 seminar “Surprise: It’s JCAHO! Adapting to an Unannounced Survey and Maintaining Continuous Survey Readiness” will teach you how to meet the new requirements and maintain JCAHO standards for overall quality improvement and for a successful survey outcome at any time. This seminar will be held from 8 am to 4 pm on May 9 at the Holiday Inn in Stevens Point.

While many organizations have sound processes in place for addressing the majority of the JCAHO standards, some struggle with how to address a few common but challenging issues. The May 10 seminar, entitled “JCAHO Continuous Standards Compliance: A Focus on Medication Management & Competency Assessment” will address two of those issues. This seminar will be held from 8 am to 4 pm May 10 at the Holiday Inn in Stevens Point.

The May 10 seminar is a **hands-on, working session** to develop plans for complying with the most critical JCAHO compliance problems/issues. Participants will work with the instructor and their peers to develop methods of compliance similar to those that have been successful in other organizations. Through this approach, organizations should experience a reduction in the amount of time committees, task forces and teams expend in understanding new requirements, researching how others are approaching the requirements and initiating false starts at implementing new or revised processes. This program is not an overview of all standards or a basic primer for beginners. It is a focused working session to move organizations forward in resolving critical compliance problems.

Participants can choose to register for only the morning session focused on Medication Management, only the afternoon session focused on Competency Assessment, or the full-day seminar.

Brochures and registration information for both of these events are included in this week’s packet and on the Web site at www.wha.org. A registration fee discount is available for those interested in attending both full-day programs. For more information on this discount or on registration in general, contact Sherry Rabuck at 608-274-1820 or email srabuck@wha.org.

May 16 Conference Focuses on Meeting End-of-Life Care Challenges

Facilitating patient-focused care during the last stage of life may be one of the most important gifts that a hospital can give to its patients. Over the past few years, several WHA members have indicated an interest in learning more about what can be done to improve existing services in this area.

Many of the end-of-life care conferences offered currently focus on “state of the art” clinical care. This is important, of course, but there may be more to it if you want to consistently meet the varied needs of those you serve. Because of this, WHA has developed a one-day conference to explore legal and ethical issues, and to learn from other Wisconsin organizations about how they are approaching this important topic internally and from a community perspective.

The one-day conference entitled “Hopeful Responses to Meeting End-of-Life Care Challenges” is scheduled for May 16, 2006, at Stoney Creek Inn in Mosinee, from 9 am to 4 pm. A full brochure with registration information is included in this week’s packet and is available online at www.wha.org. Please forward this brochure to someone in your organization who may be interested in this event.

If you have questions about the content of this seminar, contact Jennifer Frank at jfrank@wha.org. If you have registration questions, contact Sherry Rabuck at srabuck@wha.org.

Continued from page 1 . . . Guest Column: Enrollment in HSA Plans Continues Rapid Growth

Myth: Very few will purchase an HDHP/HSA.

Fact: As of January 2006, the number of people covered by an HDHP/HSA was nearly 3.2 million. This represents an increase of 300 percent since March 2005.

Myth: HSAs will not reduce the number of uninsured.

Fact: In the individual market, 31 percent of new enrollees were previously uninsured. In the small group market, companies that previously did not offer health insurance coverage purchased 33 percent of policies.

Myth: Only the young will purchase an HDHP/HSA because older individuals need policies with immediate coverage for health conditions.

Fact: Fifty percent of people covered by an HDHP/HSA in the individual market (including dependents covered under family plans) are age 40 or older. In the small group market, 45 percent of people covered under an HDHP/HSA (including dependents) are age 40 or older. In the large group market, 44 percent of enrollees are age 40 or older.

Myth: Only the wealthy will enroll in an HDHP/HSA because lower-income individuals will be unable to contribute to their accounts.

Fact: According to the National Center for Policy Analysis, half of enrollees have a household income of less than \$50,000; 38 percent have a home value of \$125,000 or less; and 27 percent have a net worth of less than \$25,000.

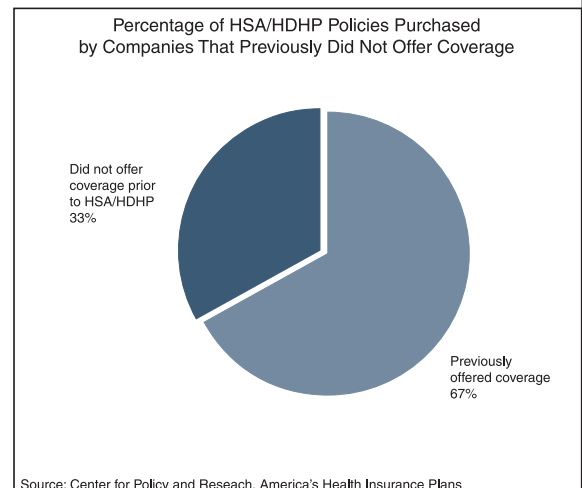
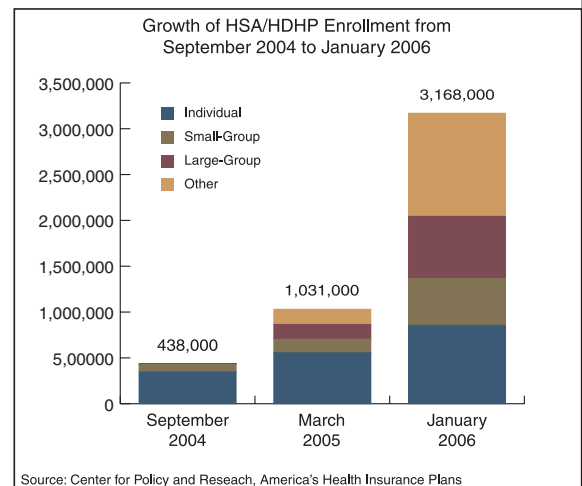
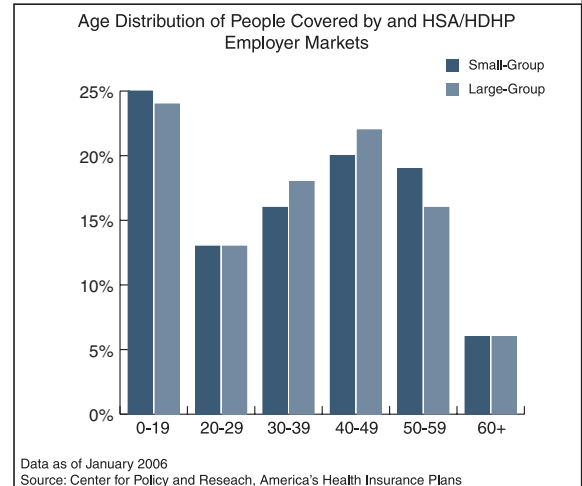
Myth: HDHP/HSA plans will function like the old major medical plans with poor discounts and networks.

Fact: Over 90 percent of all enrollees in HDHP/HSA plans are in preferred provider organization (PPO) products with both in and out of network coverage.

Myth: People will not get needed care or routine check-ups

Fact: Preventive care services are generally covered by HDHPs and typically do not count against an individual's deductible.

From my perspective, arguments against HDHP/HSAs are overblown. Working with both large and small employers and their employee benefit programs has afforded me with the opportunity to gain perspective from employers and their employees. Most of our clients are moving toward consumerism within their health plans, some more swiftly than others. Our experience has shown a favorable trend in health insurance cost for our clients. And with thorough communication and education, employees are not only satisfied with their HDHP/HSA -- they are embracing consumerism.



Member News: Aurora's Howe Announces Retirement



G. Edwin Howe

The Board of Directors of Aurora Health Care will initiate a search for a new president and chief executive officer, as G. Edwin Howe announced his intention to retire as president of the Milwaukee-based health care system.

Howe, 65, made the announcement on March 24 to Aurora's nearly 25,000 employees. He said that he would continue to serve as president until a successor is in place.

"I have been blessed to lead the wonderful people who make up the Aurora community the past 32 years," Howe said. "The time has come to hand over the responsibility to the next generation."

After 10 years in senior administrative positions at the Ohio State University Hospitals in Columbus, Ed Howe returned in 1974 to his native Milwaukee to become president of St. Luke's Medical Center. In 1984, he led the first significant affiliation between competing hospitals in southeastern Wisconsin, creating St. Luke's Samaritan Health Care, renamed Aurora Health Care in 1987.

Mary Ellen Stanek, an Aurora board member and managing director of Milwaukee-based investment firm Robert W. Baird & Co., will chair a search committee. The board has devoted itself to succession planning regularly over the years and has the responsibility to assess management and select a successor as president and CEO, she said.