Annual Meeting

The Wisconsin Hospital Association held its 87th Annual Meeting on September 28, 2006. In her remarks before the delegation, WHA Chair Mary Starmann-Harrison called the restoration of a cap on non-economic medical liability damages the Association’s major accomplishment of 2006.

“Advocacy is our number one priority. We identified the solution, built the coalition and Governor Doyle signed a cap into law,” she said.

Starmann-Harrison also noted that the Association’s aggressive transparency agenda has positioned Wisconsin as a national leader, with 99 percent of the hospitals participating in CheckPoint, and 100 percent reporting to PricePoint. She thanked the members for their involvement in, dedication to, and support of WHA. “Our success is because of you,” she said in closing.

Following up on Starmann-Harrison’s remarks, WHA President Steve Brenton said the ability of an Association to lead goes beyond the work of the paid staff. It is the voluntary leaders who facilitate the Association’s ability to be successful.

Brenton said Medicaid will be the top Association priority in 2007, adding that it is the intent of WHA to make “meaningful and measurable progress in the state budget appropriations process.”

“Among our membership there is an uneven distribution of the pain associated with abysmally low Medicaid payments,” Brenton said. “Milwaukee and the rural hospitals, especially those with nursing homes, are bearing the brunt of a program that pays less than 50 cents on the dollar of providing care. That is not sustainable.”

Brenton said there will be a emphasis on physician relationships, and WHA will develop strategies for addressing future health care needs by developing education programs, finding solutions to issues involving hospitals and their organized medical staff, and holding forums for creating and managing business relationships with doctors as partners and competitors.

“We have a lot on our agenda, but we have an outstanding team and an engaged membership,” Brenton said. “We look forward to working together to fulfill our common mission.”

The End of Health Care As We Know It
Joe Flower, CEO, Imagine What If, Inc.

Every prediction is false. Every business plan is a prediction based on a vision of the future, according to Joe Flower. Learning, he said, comes from a place of human vulnerability. So, “let the demons in, they get smaller, become your friends and you learn from their stories,” he encouraged.

“Power is about what you can control – freedom is about what we can unleash. Let’s see what we can unleash.”
- Joe Flower, futurist

(continued on page 2)
With that, Flower took his audience on a journey into the future of health care, starting with consumer-driven health care. Flower listed three pre-requisites for consumer-driven health care: consumer incentive; provider competition; and full information. Competition, while not comfortable, is happening. It’s a tide, according to Flower, that “we have to learn to surf.” And in Wisconsin, Flower credited public reporting with providing consumers full information about the health care product they purchase.

One hospital, Flower noted, adopted a simple marketing philosophy. 1 -- find out what the customer wants. 2 -- give it to them. The value of health care to a consumer is not measured by cost alone. It must be based on results and on the care provided over the full cycle of care. He believes that high quality care should be less costly, with national, not just local, competition.

The Innovation of Health Care
Lowell Catlett, PhD, Regent’s Professor of Economics, Agriculture and Genetic Engineering, New Mexico State University

Right now in the world according to Lowell Catlett, there is a 40 percent excess capacity that includes everything, even food. We know how to produce things. But it is not a production world. It is a consumer world. “What is a luxury in one generation is a necessity in the next. That is a consumer world,” Catlett said. “That changes everything. Our expectations are not going to go down. They will only go up.”

As for the aging baby boomers, “They have a conception of re-engagement, not retirement, and their demands on health care will reflect that,” according to Catlett. Boomers have expectations of care being readily accessible and will spend their own money to receive the type of treatment that they want, when they want it.

“When we (baby boomers) were 18, we were 40 percent of the population. Now, 18-year-olds are 18 percent of the population. We’re an aging society, and we’re living longer,” Catlett said, adding that these facts will force changes in the delivery of health care.

Lastly, telemedicine “will blow us away,” while “prevention is as important as treatment” as conditions that are now being treated will be prevented entirely in the future through the use of prescription foods and drugs.

A “MCBlood Testing Clinic – available on a drive-through basis? Could be in the cards,” as Catlett encourages health care providers to “understand my needs.”

Wisconsin Hospitals: Connecting With Our Communities
Bob Fale, President, Agnesian HealthCare; Sandra Anderson, President, St. Clare Hospital and Health Services; George Quinn, Sr. Vice President, Wisconsin Hospital Association

For the first time, WHA surveyed their 132 member hospitals and asked them to describe and quantify the programs, services, and activities that they provide at or below cost, solely because they fulfill a need in the community. Bob Fale, chair of the WHA Task Force on Community Benefits, reminded members that the environment has changed in Washington and even hospitals’ tax-exempt status is viewed as fair game.

Reporting community benefits is part of a broader issue related to transparency, Fale said. “We’re viewed a national model in publicly reporting price, quality and safety. Now we want to be that same model with our community benefits reporting.”
WHA’s George Quinn described how WHA gathered the data and the plan that will be followed in the public release of the information. He said more important than the “numbers” are the “true stories that illustrate how our hospitals touch, change and save lives in their communities every day.”

Further illustrating that point, Sandra Anderson shared how St. Clare Hospital partnered in the community with public health and other health-related organizations to open a free clinic, which has served about 1.3 percent of the estimated seven percent of people who are uninsured in Sauk County. Their goal is to continue to grow the program to meet the basic health care needs of all people in their county.

“One of the things that must never change is that we must be responsible for those who are financially vulnerable. We call it charity care. It is our mission as hospitals,” Anderson told the group.

Union Awareness: Is Wisconsin Next on the Union Hit List?
Kevin Scanlan, President, Metropolitan Chicago Healthcare Council

Illinois hospitals have experienced a wave of union activity that started with corporate campaigns in late 2002, and ended with the California Nurses Association boasting that it now represents the largest unit of registered nurses in Illinois. Along with the push to represent nurses, SEIU also used their influence in the Illinois Legislature to push nurse staffing ratios and hospital billing issues to the forefront. Individual hospitals were targeted in aggressive SEIU-financed advertising campaigns and portrayed in the media as being undeserving of their tax-exempt status.

It was not until the Metropolitan Chicago Healthcare Council and its members implemented a multi-phased plan to “tell our story” that they began to counteract the campaign of misinformation promoted by the unions.

The New Wave of Physicians
Kurt Mosley, Vice President of Business Development, The MHA Group

The difference between the new generation of physicians and those they are replacing has perhaps never been so marked. First and foremost, they are increasingly female. Kurt Mosley, vice president of business development at The MHA Group, said the Association of American Medical Colleges announced that females make up over 50 percent of medical school applicants for the first time ever, and 49 percent of those accepted. More than half of the medical residents in ob/gyn, pediatrics, dermatology, and psychiatry are women. The impact on physician supply is pronounced. Female physicians work 20-25 percent fewer hours per week than male physicians, but spend more time per patient.

Mosley said young doctors are less interested in primary care and more likely to specialize, a trend that is making filling primary care physician vacancies increasingly difficult. Almost a quarter of all in-practice physicians are international medical graduates, making medicine a multi-ethnic, multi-gender culture comprised of people with many different backgrounds and points of view.

Current Antitrust Risks and Opportunities
Michael Skindrud, Kevin O’Connor, Barbara Zabawa, Godfrey & Kahn

Against the backdrop of the Innovation in Healthcare theme of this year’s convention, Michael Skindrud, Kevin O’Connor, and Barbara Zabawa, attorneys at Godfrey & Kahn’s Madison office, provided the audience with an overview of some of the antitrust pitfalls facing hospitals as they collaborate with their physicians and other hospitals to market their services. They then discussed an innovative model of collaboration that minimizes the risk of antitrust violations.  

(continued on page 4)
Both O’Connor and Skindrud described the antitrust risks as hospitals contract and undertake joint ventures with their physicians and other health care providers, even though health care markets are not freely competitive in the traditional sense. As O’Connor said, “Antitrust enforcers continue to apply the antitrust laws created to regulate perfectly competitive markets to the imperfectly competitive health care markets.” Skindrud further noted that innovation in health care delivery systems involving competitors will always raise anxiety about possible violations of the antitrust laws.

O’Connor highlighted the recent emergence of the “clinical integration” model as a form of collaboration that appears to be contemplated in the Policy Statements of the Federal Trade Commission and Department of Justice Antitrust Division. Clinical integration is an innovative form of joint venture among health care providers that, if constructed properly, minimizes antitrust risk. The antitrust regulators allow clinically integrated physician-hospital or preferred provider organizations to market themselves with a common fee schedule, even though they do not share financial risk through capitation or fee withholds. The clinical integration program must be structured to improve the quality and efficiency of health care delivery, and the common fee schedule must be necessary to program. Absent clinical integration or shared financial risk, PHOs or PPOs must use the awkward messenger model to minimize the risk of antitrust violations.

The Pay for Performance Movement
Patrick Falvey, PhD, Vice President, Care Management and Clinical Research Administration, Aurora Health Care; Mark Kaufman, MD, Medical Director, Dean Health Plan; Jennifer Close-Goedjen, Case Management Manager, Dean Health Plan

As one of the participants in the Premier project linking Medicare payments to performance on quality measures, Patrick Falvey from Aurora Health Care said the focus ended up not on increased reimbursement, but on the public transparency aspect of the project.

“The group participating in the project quickly moved to the high end of the quality improvement scores, the bottom moved up, and the variability between the highs and lows shrunk. The improvement was dramatic and sustained, and you had to work towards perfection. It was not mentality of quality improvement; rather it became a zero defect mentality,” Falvey said.

The metrics used by Dean Health System are based on effective, efficient, and patient centered care, according to Mark Kaufman, MD. They worked with all of the providers to determine what measures were fair and good indicators of performance and how to structure their financial incentives. The information shared with network providers was designed to stimulate improvement.

Jennifer Close-Goedjen said since the pay for performance program started, in three years they have increased the use of generic prescriptions from 44 percent to 64 percent within the network, and for diabetic care, there have been significant improvements in HbA1c testing, LDL testing and blood pressure control.

Health Care Pricing Transparency
Cynthia Eichman, CEO, Our Lady of Victory Hospital, Stanley; Deborah Gustafson, Manager, Beloit Memorial Hospital; George Quinn, Senior Vice President, WHA

While enrollments in consumer driven health plans are steadily growing, Deb Gustafson, manager in the finance department at Beloit Memorial Hospital, said she has not seen an marked increase in the number of requests her department receives for prices. That is not surprising as Beloit Memorial Hospital has had a policy of making sure that patients know they can get a price estimate before they are admitted to the hospital.

“We encourage patients and physicians to get a price quote – we don’t want the patient to be surprised when they receive their bill,” Gustafson said. “We’ve tried to create a culture in our community where people and physicians are used to doing this.”

Providing a price in advance is not without its challenges, however. Gustafson and Cynthia Eichman, CEO at Our Lady of Victory Hospital in Stanley, both said it can be confusing for the patient and difficult for the hospital billing staff to provide an estimate when the exact procedure can’t be described by the patient.

Eichman said it is their goal to respond to price requests as quickly as possible, simplify the process of getting an
estimate, and provide tools to physicians and staff that can help patients make informed decisions. “The benefit is not just to patients who want to know prices, but our commitment to providing estimates has made our staff more aware of what the procedures cost they are prescribing or performing,” Eichman added.

More Pharmacy Graduates on the Horizon, but Will Hospitals Benefit?
Jeanette Roberts, PhD, MPH, Dean, UW School of Pharmacy

Dr. Jeanette Roberts, Dean of the UW School of Pharmacy, presented an overview of the mission and current structure of the UW pharmacy program. Roberts indicated that in 1997, the UW converted to the entry-level requirement of PharmD for clinical practice to meet the mandates of the Accreditation Council for Pharmacy Education. This change and an increase in workforce demand caused the UW to increase the number of students accepted into their program from 110 to 130 annually in 2002, which is the maximum number the facility and staff can accommodate. Members of the audience expressed frustration regarding this ceiling and their inability, despite extensive effort, to hire pharmacists for the hospital setting. Roberts stated, “If you are looking for employees, there are more on the way.” On a national level, there is predicted to be an increase in the number of PharmD graduates in the next few years from 8,242 in 2005 to approximately 11,500 in 2008. Approximately nine percent of graduates accept hospital staff positions, with the remainder going to community-based pharmacies, residencies and other opportunities.

Roberts indicated that the current pharmacist shortfall is heavily influenced by increased demand due to the changing demographics of the US population and an expansion in the variety of jobs for which pharmacists are being utilized. To meet this need, Wisconsin will need to first increase the number of faculty to train pharmacy students and then provide more opportunities, like residencies, to retain and attract new pharmacists to our state. She further recommended that hospitals increase their “face time” at the UW school of pharmacy so that students hear first hand about career opportunities in Wisconsin hospitals.

Walking the Public Reporting Systems Minefield (presented by the Wisconsin Chapter of ACHE)
Cheryl DeMars, CEO, The Employer Health Care Alliance Cooperative; Ford Titus, President/CEO, ProHealth Care, Inc.; Dana Richardson, Vice President, Quality, Wisconsin Hospital Association; Larry Rambo, CEO, Wisconsin and Michigan Markets, Humana, Inc.

The health care marketplace is being inundated with quality and customer service rating systems. Dana Richardson pointed out that literally dozens of organizations are asking hospitals to collect data that will or could be publicly reported. Hospitals respond to many of these requests, but there is a limit because public reporting is a resource intensive activity.

When determining what measures to collect and report, Richardson pointed out that the National Quality Forum could be a resource. NQF is a voluntary consensus standards-setting organization on health care quality measures, and it offers a defined process for the selection of measures. The selection of measures that is included in CheckPoint line up with national initiatives and statewide priorities. The measures in CheckPoint must be evidence-based, accepted by clinicians, and have the potential to improve quality or safety.

Ford Titus was an early adopter in Wisconsin on price transparency and as chair of the WHA Information Center Advisory Board, he provided input into the design of PricePoint. He cautioned that price and quality transparency are not the end game.

“Price transparency leads to better cost management, where the end game is value-based purchasing and the creation of a health care marketplace. The belief is that there is not a health care marketplace as there is in other industries, and this schizophrenic market could end up as a regulated market,” Titus said.

When Humana’s health insurance premium costs were projected to increase another 20 percent following four years of rapid increases, it took a look at the design of their own employee health insurance plan and made some changes. Now viewed as a national leader in price transparency among health insurance plans, Humana is listing prices of services for their subscribers to enable them to make informed choices about where they receive their care. Larry Rambo said the Wisconsin Health Information Organization (WHIO), now in its infancy, will give Humana access to a large volume of physician charge information, which will improve the accuracy of the information.
Lifetime Achievement Awards

**Terri Potter**, President/CEO of Meriter Hospital and Meriter Health Services in Madison, began his career at Madison General in the early 1970s. In 1987, he helped facilitate the successful merger of Methodist and Madison General Hospitals. Terri served in many leadership positions at WHA, including the Wisconsin Quality Initiative Steering Committee, and chaired the WHA Board of Directors in 1994. *Pictured are Mary Starmann-Harrison, Terri Potter, and Steve Brenton.*

**John Landdeck**, President/CEO, has served Beaver Dam Community Hospitals for the past 33 years. John’s support of and participation in the Association has remained strong through the years. He currently serves on the WHA Foundation Board of Directors. *Pictured: Mary Starmann-Harrison, John Landdeck, and Steve Brenton.*

**G. Edwin Howe**, President of Aurora Health Care, has more than 30 years of service to the health care industry in Wisconsin. As president of St. Luke’s Medical Center, he led the affiliation creating St. Luke’s Samaritan Health Care, renamed Aurora Health Care in 1987. Ed served as WHA Chair in 1988 and has participated on the WHA Council on Public Policy. *Pictured (left to right) are Mary Starmann-Harrison, Suzanne Howe, Ed Howe, and Steve Brenton.*

Distinguished Service Award

**Ford Titus**, President/CEO at ProHealth Care received the 2006 WHA Distinguished Service Award for his commitment to his community and his service to the Association. Ford chaired the WHA Board of Directors in 2002. He currently chairs the WHA Information Center Board of Advisors and is the AHA representative on the WHA Board. *Pictured are Steve Brenton, Mary Starmann-Harrison, and Ford Titus.*

Trustee Award

**Russ Fredrick**, Trustee, Columbus Community Hospital

“First and foremost, (Russ) is an inspiration to us all with his volunteer efforts throughout the Columbus community…Russ is simply among the best health care trustees the medical profession has to offer.” *Pictured, from left: Mary Starmann-Harrison, Steve Brenton, Russ Fredrick, Ed Harding, CEO, Columbus Community Hospital.*
**Trustee Award**

Terrance Sheridan, PhD, trustee, Sacred Heart Hospital, Eau Claire

“Dr. Sheridan is always watchful that the hospital remains focused on its mission to serve all patients regardless of ability to pay and to be aggressive in its community outreach efforts.”

*Pictured: Terrance Sheridan, Faye Deich, Steve Ronstrom*

**Partners of WHA “Best of the Best” Administrator Award**

Ronald Paczkowski, executive vice president of Franciscan Skemp Healthcare in La Crosse, is the 2006 recipient of the “Best of the Best Award” for his supportive, enthusiastic and well-defined relationship with his volunteer organization.

*Pictured are Janet Hamric, Best of the Best Committee member; Linda Fish, Partners President; Ron Paczkowski*

**W-ONE Nurse Leader of the Year Award**

The 2006 W-ONE Nurse Leader of the Year is Mary Lu Gerke, RN, PhD, vice president of clinical operations for Gundersen Lutheran Health System in La Crosse. She has been involved with the Wisconsin Organization of Nurse Executives since 1996.

*Pictured are Carol Winegarden, W-ONE President, and Mary Lu Gerke.*

**ACHE Young Health Care Executive Award**

The ACHE Young Healthcare Executive Award was presented to Brett W. Norell, MHA, MPH, CHE. Brett is the director of respiratory and neurodiagnostics for Wheaton Franciscan Healthcare – St. Joseph.

*Pictured, from left: Greg Banaszynski, Brett Norell, David Olson*
WHA Foundation’s Global Vision Community Partnership Award

Get the Shot: Eau Claire County Immunization Program, nominated by Luther Midelfort, Eau Claire

Joe Neidenbach, WHA Foundation Chair; Dr. Terrance Borman, Medical Director for Luther Midelfort, Eau Claire

El Centro de Salud (The Center of Health), nominated by Columbia-St. Mary’s, Milwaukee

Shereen Kressin, Assistant Dean, Columbia College of Nursing

Partners of WHA WAVE Awards
(Wisconsin Awards for Volunteer Excellence)

Community Outreach and/or Collaboration Program

Cloth Diapers for Low Income Families

Waupun Memorial Hospital Auxiliary
Betty Schoonover and Eleanor Pomplun

Community Service Program

Community Health Screening Program

Bay Area Medical Center Auxiliary, Marinette
Cheryl Windbiel and Mary Ann Langill

Inservice Hospital Volunteer Program

Pet Therapy Program

St. Mary’s Hospital Auxiliary, Madison
In front: Erik (the therapy dog); in back: Audrey Krebs, Frank Byrne, Dan Darmsteadter, Johnathan Rosenfeld, Mary Starmann-Harrison, Linda Fish

Fundraising Program

Hats Off to Women

St. Vincent Hospital Auxiliary, Green Bay
Joe Neidenbach, Diane Maynard, Lila Cody, Sue White, Chris Kocken