

Proposals

- a. Eliminate language in s. 609.10, Stats., that requires employers to provide standard plan and point-of-service options. The cost burden in complying with this provision outweighs any benefit that could be gained in today's insurance market. Employers need the flexibility to channel their precious employee benefits resources toward the most cost-effective programs.
- b. Eliminate unnecessary state hospital licensure. These regulations are in addition to those already required by Medicare, Medicaid and the Joint Commission for the Accreditation of Hospitals.
- c. Harmonize state and federal law regarding the sharing of health care information. The federal Health Insurance Portability and Accountability Act (HIPAA) established a framework in which medical information can be released without patient consent for purposes of payment, treatment and operations, which include quality assessment and improvement activities. Wisconsin's privacy statute should be amended to mirror the language in federal law in order to avoid confusion, eliminate unnecessary administrative burden and cut red tape.
- d. Reduce state reporting requirements for health plans if plans have accreditation from a private national accrediting organization that has standards at least as stringent as state requirements.
- e. Encourage the state to use commonly-accepted quality benchmarks in its health care purchasing strategies. Health plans, providers and purchasers have collaborated to develop standards and measures that are gaining greater use as tools for evaluating and reporting quality health care. Some of these have already been embraced by administrators of government programs. New, additional procedures and requirements imposed for the sole purpose of government oversight will only increase costs and divert valuable resources if the intent of such procedures and requirements could be addressed with existing practices.

Outcome

Elimination or reform of unworkable or unnecessary regulation would reduce costs and give purchasers, providers and payers greater flexibility in creating solutions to the problems in health care today.

Goal Six: Promote Healthier Choices

Strengthen the role of consumers in the health care system today by providing information on health care quality and cost, promoting the use of advance directives and encouraging better lifestyle choices that improve health status.

Issue

Consumers must become active participants in making decisions that affect their health. Chronic diseases can be prevented, but only if information is accessible and incentives to improve health care are available.

Proposals

- a. Develop a public school curriculum (see s. 115.35, Stats.) focusing on healthy lifestyles, health literacy and health care consumerism.
- b. Focus state government resources and activities on creating a healthier Wisconsin (alcohol and drug abuse, tobacco use and obesity). Also, encourage local communities and businesses to do their part in promoting a healthier Wisconsin.
- c. Develop a user guide for businesses and individuals on health care and health insurance, with illustrative case studies.
- d. Improve consumer awareness and encourage family discussions of issues related to end-of-life care. Strive to increase the number of consumers completing advance directives before a serious health issue arises. Promote the use of the Wisconsin driver's license as a vehicle for indicating the presence of an advance directive and the license renewal process as an opportunity to share information about end-of-life care.
- e. Encourage employers to provide useful health care information to their employees, including information on healthy diet and exercise and advance directives.
- f. Educate employers on the use of cost and quality data, benefit plan design options and the value of health care consumer incentive strategies.

Outcome

Giving consumers the information, incentives and opportunities to make cost-effective health care purchases will add a powerful, positive force in the effort to improve health care cost and safety and create a healthier Wisconsin.

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Wisconsin's Healthier Choices For Affordable Health Care

Introduction

Wisconsin, along with the rest of the nation, faces a continuing crisis in health care. In recent years, the cost of health care has increased at a rate of 11 percent or more. Driven by an aging population, medical advances, increased use of services and other factors, health care cost increases contribute to health insurance cost increases—to the point that commercial insurance coverage becomes unaffordable for increasing numbers of people.

The problem of increasing health care costs is not limited to one issue; thus, it cannot be solved in a single act. Nor will it be resolved overnight. But a closer analysis reveals several significant opportunities for improvement, and everyone—health care providers and insurers, employers, consumers and state government—has a role to play.

While some would scrap our existing health care system in favor of a heavy-handed, one-size-fits-all government solution, this proposal is decidedly different. It will remove government barriers that stifle innovation and encourage more appropriate use of health care resources. The private sector – employers, providers and insurers – is taking the lead on health care reform, promoting new benefit designs and promising information initiatives that will have positive long-term effects on our health care delivery and financing system. This plan is founded on that private sector movement.

Initiating the cooperative effort needed for action, the Wisconsin Association of Health Plans, the Wisconsin Hospital Association and Wisconsin Manufacturers & Commerce together identified the key cost drivers of our health care system today and identified workable solutions. We've organized the solutions into six key areas, which are explained in more detail in the full report, "Wisconsin's Healthier Choices."

*Wisconsin Association
of Health Plans*



Goal One: Enable Affordable Coverage

Increase the number of Wisconsin employers able to afford health care coverage by giving insurers flexibility in designing health insurance benefits that better meet employers' needs.

Issue

State mandates drive up the cost of health insurance sold in Wisconsin and make it harder for employers and employees to afford coverage.

Proposal

- a. Give employers and insurers the flexibility to create innovative health benefits programs that meet the market's needs for improved access and affordability. True flexibility means that the program structures are defined by the needs and capabilities of the market, not by government prescription. These new product designs would be available in addition to the programs containing mandated benefits.
- b. Establish a five-year moratorium on new state-mandated health insurance benefits.

Outcome

Giving businesses and insurers the freedom to innovate with health benefits designs based on market demand would increase the number of Wisconsin employers able to offer affordable health care coverage.

Goal Two: Promote Quality

Encourage the continued development of a consumer-driven health care environment in Wisconsin. Promising collaborative efforts to collect and report information related to quality, safety and cost should continue among providers and health plans. The state should provide assistance to promote information sharing, to help employers and consumers understand publicly reported data and to encourage innovate quality and safety improvement efforts in the marketplace.

Issue

A consumer-focused health care system is one in which consumers and employers are given the information and incentives to make better health care purchasing decisions. Internal quality improvement efforts are essential in health care and protections are needed to ensure that these activities continue without legal threat. Information technologies, while improving safety and efficiency, are prohibitively expensive, putting them out-of-reach for some health care providers.

Proposal

- a. Encourage ongoing development of private sector initiatives for collection and public reporting of quality, safety and cost information. Allow these and future initiatives to flourish and develop free from government interference, including burdensome new data mandates that would duplicate these efforts or add little, if anything, to the developing information marketplace.
- b. Promote collaboration among health care providers, insurers and employers to educate and train consumers in understanding and interpreting publicly reported data.
- c. Facilitate internal quality improvement efforts by expanding current statutory protections from discovery provided to information collected and generated by peer review committees.
- d. Provide low-cost financing through the Wisconsin Health and Education Facilities Authority (WHEFA) for targeted information technology purchases made by hospitals and other non-profit health care institutions. Reduce the interest costs by providing a state income tax exemption for bonds issued by WHEFA for certain technology purchases or upgrades.
- e. Require the state to guarantee targeted technology loans made through WHEFA to small and rural non-profit health care institutions.
- f. Direct the state to provide \$100,000 in matching grants for the Wisconsin Patient Safety Institute to promote safety and quality improvements in Wisconsin's health care facilities.

Outcome

Bold information initiatives, allowed to develop independent of new government data mandates, hold the promise of providing consumers and employers with the tools they need to evaluate health care based on quality and cost. In the process, Wisconsin citizens will become better and wiser consumers of health care leading to more appropriate and cost-effective utilization of health care services.

Targeted, lower-cost financing will make expensive electronic medical records systems and other care-improving technologies more obtainable for health care providers. Once in use, the information systems can be used to improve safety, increase efficiency and reduce costs over the long run.

Goal Three: Repeal Hidden Tax

Cut the "hidden tax" on purchasers of private health insurance by reforming the Health Insurance Risk Sharing Plan (HIRSP) and the Medicaid/BadgerCare Program and providing adequate government funding to cover the cost of providing care.

Issue

Government-sponsored health care programs failed to pay the cost of care received by enrollees.

Proposals

Cut the health care tax from underfunded government programs.

- a. Freeze the Medicaid tax on businesses by prioritizing funding for Medicaid/BadgerCare in the 2003-2005 biennium and shielding the funding from further reductions. Begin by making sure that all the money set aside in the 2003-05 budget bill for Medicaid is used for that program only.
- b. Establish, as a budget priority in 2005-2007, adequate reimbursement under Medicaid/BadgerCare to providers and HMOs, with a plan for:
- c. Reform HIRSP benefit design, funding, eligibility and governance.
- d. Restore state funding for HIRSP beginning in the 2005-2007 biennium.
- e. Reform Medicaid/BadgerCare benefit design and BadgerCare eligibility.
- f. Aggressively pursue opportunities to maximize available federal funding for state health care programs.

- g. Work cooperatively with health care providers, businesses and governments from other states to address Medicare reimbursement shortfalls, as recommended in the final report of the 2002 Wisconsin Medicare Reimbursement Summit and as advocated for in 2003 Senate Resolution 7.

Outcome

Adequate government funding and reforms in Medicaid/BadgerCare and HIRSP will add stability to these government programs and reduce the burden on commercial health care programs, freeing purchasers of the hidden tax that has made the problem of rising health care costs worse.

Goal Four: Grow Health Care Workforce

Increase the supply of health care professionals in Wisconsin by restoring funding for Graduate Medical Education. Make it easier for the University of Wisconsin System (UWS) and the Wisconsin Technical College System (WTCS) to streamline the process of graduating qualified health professionals. Direct the Department of Workforce Development (DWD) to issue an annual health care workforce report and make recommendations for improvement.

Issue

Labor shortages in the health care field threaten access to care and drive up the cost of health care. Additional teaching capacity is necessary at the technical colleges and higher educational institutions to ensure that students are able to receive the training they need to step into the health care workforce. The physician shortage, now being felt acutely in some parts of the state, will escalate if steps are not taken to ensure that physicians are trained—and stay—in Wisconsin.

Proposals

- a. Restore funding for Graduate Medical Education to address the projected shortage of physicians in Wisconsin.
- b. Implement technical college reforms including:
 1. Allow differential tuition pricing to better reflect the cost of health education programs within the WTCS. Require that the additional revenue generated be used to expand course offerings in health programs, including evening and weekend classes.
 2. Direct the WTCS to develop one state-approved curriculum and admissions standard agreement for each of the health occupation programs--the curriculum to be the same at each technical college. The current situation results in delays and barriers to students transferring programs. Having one standardized curriculum and admissions standard will simplify course planning and preparation for educators, and direct students to programs where they are most likely to succeed.
 3. Direct the WTCS and UWS to immediately begin easing credit transfer between institutions. Exceptional work has already begun with programs creating registered nurses. The same work must be done for other programs held in common as well as for preparatory courses. These agreements would help students re-enter educational programs and would greatly assist health care workers wanting to move up career ladders or become teaching faculty.
- c. Direct the DWD, in conjunction with UWS, WTCS and Wisconsin Association of Independent Colleges, to issue an annual health care workforce report. The report would focus on the five professions of greatest need and include information to help direct or redirect workforce improvement strategies.
- d. Direct the UWS and WTCS, in collaboration with the Wisconsin Association of Independent Colleges, to make recommendations to the Legislature to address the findings of each annual report.
- e. Encourage reprioritizing existing funding for health professions education in the WTCS (as per the 2003-05 state budget) and UWS.
- f. Call upon the Board of Nursing and other state and national regulatory bodies to modify requirements for classroom and clinical instructors to increase the number of instructors available.

Outcome

Streamlining Wisconsin's education system for health professions will decrease waiting lists and move more students into rewarding, family-sustaining jobs. The resulting increase in the supply of health professionals will meet the growing demand while alleviating health care cost increases associated with short-term recruitment and retention strategies.

Goal Five: Cut Red Tape, Control Costs

Eliminate unnecessary and duplicative government regulations to reduce costs and give purchasers, providers and payers greater flexibility in creating solutions to the problems identified in health care today.

Issue

Duplicative regulations drive up the cost of health care and reduce creative solutions to problems in the health care delivery system.