

Introduction

2004 was a landmark year for Wisconsin Hospital Association as members embraced the commitment to publicly report patient quality and error prevention measures. Wisconsin is among a handful of states who are actively promoting the concept of transparency by sharing information on health care quality, safety and costs. The WHA membership continues to unify and strengthen even as new legislative and environmental pressures, largely relating to health care costs and a difficult state budget, present historic challenges. WHA is a strong voice for the preservation and advancement of community-based health care, enabling our members to meet their missions of providing affordable, accessible and high quality health care in urban and rural Wisconsin.

Advocacy

WHA started the new year by joining with two major advocacy groups to unveil “Healthier Choices,” a comprehensive health care reform plan aimed at lowering health care costs and providing benefit flexibility to employers and employees.

WHA President Steve Brenton emphasized at a capitol news conference that “Healthier Choices will ensure that more Wisconsin residents will receive the care they need at a price they can afford.”

The major principles of Healthier Choices include:

- **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 fit with employers’ needs.
- **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.
- **Repeal the hidden tax** - Cut the “hidden tax” on purchasers of private health insurance by adequately funding government health care programs.
- **Grow the health care workforce** - Increase the supply of health care professionals in Wisconsin by restoring funding for Graduate Medical Education (GME).
- **Cut red tape, control costs** - Eliminate unnecessary and duplicative government regulation to reduce costs and give purchasers, providers and payers greater flexibility in creating solutions to the problems identified in health care today.
- **Promote healthier choices, strengthen the role of consumers** - Strengthen the role of consumers in the health care system by providing information on health care quality and cost.



Terri Potter, Peter Farrow, Nancy Wenzel, Steve Brenton, Jim Haney

WMC President Jim Haney said of the plan, “Clearly, if we give small employers the freedom to innovate with health care packages, more Wisconsin employers could offer health care at lower costs.”



Governor Jim Doyle

✓ Governor Jim Doyle addressed the largest ever Advocacy Day event where more than 500 health care advocates heard the Governor applaud WHA's approach to the state budget woes. **“WHA adhered to a basic Wisconsin value--we are all in this together.”**

Also during Advocacy Day, the 2004 Advocacy All-Star Award was presented to **David Olson, President/CEO, Bay Area Medical Center** in Marinette, while **Representative Curt Gielow (R-Mequon)** received the 2004 Health Care Leadership Award.

✓ Over the course of 2004, the WHA Public Policy Council invited several key policy makers to share their views. One of the most interesting comments came from Assembly Speaker John Gard (R-Peshtigo) who said, **“The way we buy and use health care, it's a lot like an open bar at a wedding. When the drinks are free, everyone orders the most expensive drinks and at the end, there are half empty glasses everywhere.”**

✓ In April, **Governor Doyle signed the WHA-backed medical records reform bill into law.**

✓ The WHA Advocacy Team moved into high gear as the Taxpayers Bill of Rights (TABOR) gained momentum in the State Capitol. As with any amendment to the state constitution, TABOR requires passage by two successive sessions of the Legislature, followed by voter approval in a statewide referendum. WHA opposed TABOR because of the uncertainty it would bring to funding the state's medical assistance programs.

“This is not a partisan issue; we have no qualms with the notion of limiting taxes and spending,” said WHA President Steve Brenton on May 7. “However, TABOR comes at a time when the state is already chronically underfunding its own health care programs, particularly Medicaid, and passing those costs on to employers and employees.”

While the session ended without a vote, will TABOR be back? Those who support it, guarantee it. But even if the Legislature successfully raises TABOR again next session (which begins January 2005), it cannot go to a necessary statewide referendum until April of 2007.

✓ **Based on a report by the Wisconsin Ethics Board, WHA is one of the most influential players under the dome.** Out of the 650 interest groups registered with the Ethics Board, WHA ranks seventh in the number of lobbying hours, and fifth in total dollars spent on lobbying-related activities.

✓ In 2004, **WHA members and friends contributed a record \$152,000 to Healthy Wisconsin, an increase of 176 percent** in just three years. More importantly, \$203,000 (including some carry-over from 2003) was distributed to candidates or used to buy independent, positive newspaper ads in 2004, an incredible 350 percent increase from 2001.

✓ In the federal arena, WHA members deepened their relationships with members of the Wisconsin Congressional Delegation by hosting hospital visits in their district and by visiting their elected officials and staffers in their Washington, DC offices.

✓ The WHA Board allocated funding for activities related to legal advocacy. One of the cases, Meriter Hospital vs. Dane County, involves the county unloading the cost of caring for a prisoner on Meriter by dismissing the charges against him after he was in the hospital for three days. **“Will charges now be dropped against any prisoner who becomes sick, or just those with serious and costly illnesses?” asked WHA Senior Vice President Eric Borgerding** in a *Wisconsin State Journal* editorial published December 12. WHA will look to the Legislature to fix the loophole that allowed Dane County to duck their responsibility to pay.



Sue Polito, Jeff Zeratsky, David Olson, and Jim Hodge



Leo Brideau and Rep. Curt Gielow



www.wicheckpoint.org

WHA successfully launched CheckPointSM statewide in the first quarter of 2004 by holding news conferences in Wausau, Green Bay, Eau Claire, La Crosse, Milwaukee and Madison. Just six months after it was launched, the CheckPoint program

had 122 hospitals, which is 99 percent of the hospitals in the state, participating. Of these hospitals, 85 percent were reporting error prevention measures that indicate progress in meeting national patient safety goals and 88 percent were reporting measures related to the treatment of heart attack, congestive heart failure and pneumonia—three of the most common reasons for hospitalization in Wisconsin.



*Wausau
Charles Shabino; Kevin O'Donnell;
Robert Gribble*



*Eau Claire
George Quinn; Charles Shabino, MD; David
Fish; Rich Johnson*

“The continued growth in both the participation rate and in the number of data sets that hospitals are reporting to CheckPoint are indicative of Wisconsin hospitals’ strong support for increasing access to information. This information will assist consumers in decisions that affect their health and hospitals to benchmark their improvement progress,” according to WHA President Steve Brenton.

The Measures Team, which reports to the WI Quality Steering Committee, late in the year presented a preliminary plan for measures to be added to CheckPoint over the next two years.



*La Crosse
Bill Bruce; Jeff Thompson, MD; Robert Nesse,
MD; Shelly Egstad; George Quinn*

Dana Richardson, WHA vice president of quality, presented this plan to key stakeholders including hospitals, purchasers, and legislators for input to ensure that the resources required to collect and report the data are justified by the value that the information has to the end user. WHA Board Chair Chuck Shabino, who also chairs the Steering Committee said, “Now is the time to identify the type of information that can be added to the system to

create even greater value in the future.”

Richardson said the development of CheckPoint is right on target. “WHA is meeting all of its commitments, including the addition of four new measures in September. We will continue to update the information currently being reported so that it is timely and current,” she said.

WHA’s CheckPoint program and the Wisconsin Collaborative on Health Care Quality recently identified areas where these two compatible initiatives can work together to minimize public confusion about health care quality measures and maximize the impact of resources required to report and market these efforts to the public. The first project will be a joint public web portal that will be a “one stop shop” for consumers to access information that resides in the respective Web sites.



*Milwaukee
Mike Mahoney; Patricia Schroeder; Dick Tillmar;
Nick Turkal; Steve Brenton*



*Madison
Terri Potter; Dana Richardson; Chris
Queram; Tim Size*

Workforce



Bevan Baker, Leo Brideau, George Quinn, and Amy Liepert

Who Will Care for Our Patients? The Wisconsin Hospital Association and the Wisconsin Medical Society released a study entitled, “Who Will Care for Our Patients?” and reported a current shortage of 506 primary care physicians statewide, which included a deficit of 72 physicians in the medically underserved areas of Milwaukee County. Specialists are in high demand and are hard to recruit on a statewide basis, while general surgeons and radiologists are critically needed in rural areas.

To temper the forecasted shortage, the Task Force on Wisconsin’s Future Physician Workforce recommended:

- Expanding the class size of Wisconsin’s two medical schools with students who will practice in Wisconsin.
- Developing new models for delivering health care to enhance our physician resources.
- Attracting physicians to Wisconsin and keep those who are already here.
- Enhancing funding for medical education.
- Creating an advisory council to guide medical education in Wisconsin.



Paul Wertsch, MD, Bobbe Teigen, Carl Getto, MD, and George Quinn

The biggest obstacle the Task Force faced was finding clear and consistent data on the physician workforce. **“It’s hard to solve a problem without having good data on hand,”** according to Task Force Chair **Leo Brideau, CEO, Columbia St. Mary’s, Milwaukee.**

To direct WHA’s workforce agenda, a **new council on Workforce Development was created**, chaired by Robert Fale, President/CEO, Agnesian HealthCare. The council monitors workforce supply and educational programs, promotes recruitment and retention best practices, and provides input into WHA’s advocacy agenda for health care.

The WHA Pride Program honored 65 hospital employees. Nearly 250 people attended the banquet in honor of the winners, a 21 percent increase over attendance in 2003.

A new service, the **WHA Job Bulletin** now offers members a new avenue for posting open positions. The WHA Job Bulletin is published monthly as a supplement to *The Valued Voice*, and is available online at **www.wha.org**.

Communications and Education

The WHA newsletter, ***The Valued Voice***, continues to be a premiere source of health care information to WHA members, the State Legislature and Wisconsin’s Congressional Delegation.

WHA Valued Voice featured six exclusive interviews: former Iowa Congressman Fred Grandy, three state legislators and two members of Wisconsin’s Congressional Delegation.

Over 270,000 visitors found their way to www.wha.org in 2004, an increase of 100,000 visitors over 2003. An increasing number of Web users are finding documents on WHA’s Web site using Google and Yahoo as search tools.

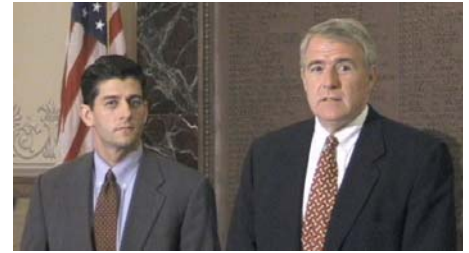
The 2004 Wisconsin Quality Forum showcased 89 safety and quality projects from 52 different organizations, 35 of which are WHA member hospitals. The Forum had 275 attendees... a 115 percent increase over 2003. The success of the Wisconsin Forum has made it a national model, with similar forums planned in at least two eastern states.

WHA Corporate Members provided almost \$220,000 in financial support to WHA in 2004, topping their 2003 financial support by 12.6 percent.

WHA offered 20 educational programs in 2004 for a total attendance of 2,050.

The GAO Report

The U.S. General Accounting Office (GAO) released some preliminary findings of a report indicating that health care costs in Southeast Wisconsin are higher than in other parts of the country. Wisconsin Congressman Paul Ryan and Milwaukee Mayor Tom Barrett requested the report two years ago. According to WHA, at least two factors mentioned in the report required additional analysis and discussion:



Congressman Paul Ryan and Milwaukee Mayor Tom Barrett

- The study confirmed that the **Southeast Wisconsin health care market trails other metropolitan markets that have embraced change in how health care is purchased.** A 2003 study by the Milwaukee-based Public Policy Forum stated that payers and employers in Southeast Wisconsin need to become better purchasers of health care “by gaining knowledge of the cost and quality of services from providers.”
- The “hidden tax” on health insurance is a major cost driver. In addition, hospitals in Southeast Wisconsin annually provide over \$200 million of uncompensated care represented by bad debt and charity services.

While the GAO report did not specifically examine the significant and growing role that Medicaid underpayment has on Southeast Wisconsin providers, **WHA noted that Wisconsin is anchored at the bottom of national rankings comparing state Medicaid payments.**

The Hidden Tax

When government underfunds the programs for which it has fiscal and social responsibility, the costs are necessarily shifted to the private sector. **The nemesis of health care reimbursement—the hidden tax—continues to be a significant reason behind rising health insurance premiums.**

WHA released the news this year that the “hidden tax” on every hospital patient’s bill grew by \$264 million in 2003, to a total of almost \$1.7 billion. The costs associated with providing charity care, bad debt expense and the fact that the government doesn’t pay the full cost of care for Medicare and Medicaid recipients, are all part of the hidden tax. A troubling trend, WHA Senior Vice President George Quinn pointed out to the media that, “Less than 75 percent of what an insured patient pays goes toward the actual cost of the care received. The rest is just to make up for what other payers fail to fund. These unpaid costs are shifted directly to businesses and their employees.”

Attacking the hidden tax head on, in 2005 WHA will launch a campaign to make the public aware of the impact that the “hidden tax” has on their health insurance premiums. **The campaign will also seek to advance Medicaid payment improvement recommendations of the WHA Medicaid Task Force.**

“While employers struggle with the burden of rising health insurance costs, sometimes cutting back hours or jobs to afford the premiums, the hidden tax continues to grow,” WHA Senior Vice President Eric Borgerding said in an editorial sent to newspapers statewide in December. “Government needs to stop shifting the cost of government health care programs on to the backs of employers, employees and their families.”

Hospital Billing and Collection

The WHA Board approved a set of guidelines that hospitals can use in reviewing their billing and collection policies. In a year where billing practices hit the national press, **Wisconsin received recognition from former Governor, now HHS Secretary, Tommy Thompson.** “In just two short months, WHA has developed a thoughtful, well-reasoned approach to this very problem, and I commend them for their efforts and thank them for the hard work that they’ve done. This new proposal will serve the patients and the hospitals in Wisconsin well,” Thompson noted.

WHA President Steve Brenton made it clear that “Wisconsin hospitals are committed to ensuring that patients who are uninsured and have a limited ability to pay receive care in a sensible and sensitive way.” In 2002, Wisconsin hospitals provided charity care to an average of 518 patients at a cost of more than \$485,000 **every day.** In 2002, more than 189,000 individuals in Wisconsin received over \$177 million in charity care.

The WHA Information Center, LLC



The WHA Information Center completed its first full year of operation in 2004. WHAIC successfully assumed responsibility for hospital data collection from the State Bureau of Health Information, while reducing costs and delivering data ahead of schedule. Hospitals saw a marked improvement in the efficiency and timeliness of the quarterly data submission and correction process. In addition, hospitals are now able to complete all survey submissions on line, including the Annual Survey of Hospitals, thereby eliminating the paper surveys of the past.

The WHAIC investments in technology paid big dividends, as reflected by user comments gathered in a WHAIC customer service survey:

*"I like the new process much better. The Internet submission system is a **HUGE** improvement on the old system."*

"I no longer dread the end of the quarter because you have made the data submission process and corrections of edited records so much easier to do. You keep us well-informed and you are always very helpful."

"It is wonderful to work with staff who really understand what the data is that they are collecting and what it means."

WHA Financial Solutions, Inc.



In 2004, WHA Financial Solutions maintained its strong financial performance that allowed it to support WHA at record levels by sharing administrative costs and sponsoring WHA events. WHA Financial Solutions continues to deliver a comprehensive spectrum of strategic and cost-effective products to Wisconsin hospitals that include retirement plans, major medical options, dental, disability, life, vision, and more. **In 2004, WHA Financial Solutions realized more than \$400,000 in health premium savings for Wisconsin hospitals.**

"Community Health Network has been working with WHA Financial Solutions for more years than I can remember. As a health care provider it is important to us as an employer to provide market competitive benefits. As human resource professionals, our lives are very busy. It is good to know that we may rely upon WHA Financial Solutions and their expertise in assisting us with carriers to ensure our employees receive great value in benefits for reasonable costs." - Deb Gabrilka, Benefits and Compensation Manager, Community Health Network, Inc.

WHA 2004
Chair



Charles Shabino,
MD, Chief Medical
Officer, Aspirus, Inc.

WHA 2005
Chair



Ned Wolf, President/
CEO, Lakeview
Medical Center

WHA 2005
Chair-elect



Mary Starmann-
Harrison, Regional
President/CEO, SSM
Health Care-Wisconsin

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Greg Roraff,
President/CEO,
Memorial Health
Center, Medford

WHA Informa-
tion Center, LLC
Board Chair



Ford Titus, President/
CEO, ProHealth Care,
Inc., Waukesha

The Wisconsin Hospital Association's mission is to advocate for the ability of its members to provide high quality health care services to Wisconsin communities.