



2007 Board Planning Session

In Review

July 18-20, Elkhart Lake, Wisconsin



Ken Buser

The format of the WHA Board Planning Session encourages in-depth discussion of select issues that the Board and members determine are critically important to Wisconsin hospitals and the patients and communities they serve. In introducing this year's agenda, WHA President Steve Brenton said Board Planning Sessions of the past have laid the groundwork for initiatives such as CheckPoint, PricePoint and ServePoint—programs that have helped foster consumerism in Wisconsin and provided resources for improving health care literacy. Wisconsin hospitals lead the nation in quality by their participation in public reporting and quality improvement efforts, all of which came from ideas first voiced at recent Board Planning Sessions.

The WHA Board Planning Session 2007: Health Reform and Medicaid



Leo Brideau

In 2006, WHA created the Task Force on Access and Coverage, chaired by Board Member Leo Brideau. The Task Force developed eight basic principles that the Association can use in evaluating health reform proposals, which are:

1. Wisconsin's health care system must provide affordable coverage for **everyone's** basic health care needs.
2. Initiatives must directly address the reality that current trends in health care costs and insurance premiums are **not sustainable** and are contributing to access and coverage challenges.
3. Each health care stakeholder has **shared responsibilities**:
 - **Government** must play a role in guaranteeing access to health care services for our most vulnerable populations, fully recognize the special costs of educating the health care workforce, promote transparency and adequately pay for health care services provided to patients covered by its programs.
 - **Individuals** must share directly in the financial responsibility for covering the costs of their health care needs and engaging in behaviors that maximize their health care status. In addition, individuals must be prudent buyers of health care services, availing themselves of available information to purchase health care based on demonstrated quality and efficiency.
 - **Hospitals and physicians** must deliver health care that is guided by the best clinical evidence or expert consensus and be willing to share best practices with their peers. They must be accountable for their costs and quality by embracing initiatives designed to measure, publicly report and improve performance.
 - **Employers** should offer a basic health care benefit to their employees. They should provide financial incentives for their employees to select the highest quality, lowest cost providers in their region and participate in programs and behaviors that support wellness and prevention.

(continued)

- **Payers** should provide meaningful incentives for providers to coordinate the delivery of health care services, especially to patients with chronic diseases and design plans that provide incentives for prevention services and promote healthy lifestyles.



Bob Fale

4. Government oversight of access and coverage initiatives must be transparent and **sheltered from short-term political processes**.
5. Coverage and access are related issues but will require different strategies (e.g., Medicaid “covers” dental care but access to Medicaid dental services is unavailable in much of Wisconsin).
6. Initiatives should build upon and improve employer-based coverage and **preserve pluralistic payment** for health care services.
7. Initiatives must include fair and adequate provider payments, reward value (quality and cost efficiency), be simple to administer, promote innovation, and stress prevention and wellness.
8. The rapid **diffusion of information technology should be encouraged**, coordinated and funded by providers, government, and payers as a way to improve quality, patient safety and cost efficiency.



Eric Borgerding

According to Brenton, “As we look at initiatives that are currently being discussed in Madison, one of the most important things we must do is align our principles with initiatives that we may support.”

The Massachusetts Insurance Plan

“The whole country is watching Massachusetts.” - Paul Ginsburg, Healthcare Economist



Ron Hollander

Less than a year ago, Massachusetts became the first state in the nation to pass a law requiring individuals to have health insurance. Ron Hollander, former CEO of the Massachusetts Hospital Association, said there is built-in skepticism about whether Massachusetts will emerge as a model for state health reform, or if it will just prove to be a failed experiment.

Why Here?

Hollander said there is broad public awareness of the issues associated with the uninsured in Massachusetts, including cost shifting and what he termed a failed and “costly patchwork” of programs designed to address the problem. Massachusetts has a low rate of uninsured, but with a large population, that still equated to 600,000 Massachusetts residents without health coverage.



Steve Brenton

“We were beginning to have a perfect storm... the stars are lining up. As an Association, we joined the coalition because we needed a core framework for evaluating

the programs. The goal is coverage,” Hollander said. “If you are going to cover it, you need to pay hospitals responsibly, stop the cost shifting, and build in a secure safety net because we will never get to 100%. We will always have people who fall through the cracks.”





The Massachusetts Reform “Menu”

The key components of the Massachusetts plan are:

- Expansion of the Medicaid program to cover more children and increase the Medicaid payment rate to hospitals
- Subsidize coverage for those who cannot afford the monthly premium
- Employer “mandates” that firms with more than 11 employees must offer access to pre-tax purchase of health insurance and then make a “fair and reasonable contribution” to health coverage
- Individual “mandate” that applies to all Massachusetts adult residents. Penalty of \$200 in tax year 2007 if they do not have coverage, and after 2008, a fine for each month without insurance equal to 50 percent of least costly “affordable” insurance product
- Insurance reforms
- Creation of “The Connector” to connect people with an insurance product that they can afford. “The Connector” offers new more affordable insurance products for individuals and small employers that are also available directly from health insurers
- Transparency
- Provision of wellness and chronic care
- Use of health information technology to implement electronic medical records

What Do We Support?



George Quinn

After a Q&A session with Hollander and dialogue among board members, Leo Brideau laid out three ideas to stimulate discussion on health reform among board members based on the presentation of the Massachusetts plan.

1. The Task Force did not include the idea of individual mandates and personal responsibility in its principles. Should those concepts be added?
2. The notion of a “connector.” The Task Force discussed something like an independent board that would replace the role of government as a broker. Is this a good idea?
3. The expansion of the number of insurance offerings by this plan being driven by a conscious segmenting of the underinsured and uninsured. There is not one solution, rather there are specific solutions to fit each segment.



Joe Kachelski

Brenton summarized the discussion regarding health reform by stating that WHA currently supports a blending of Gov. Doyle’s coverage initiatives along with the Republican’s use of market forces. To contain costs, Brenton said WHA must continue to push the leadership role that it has played in publicly reporting cost, quality and safety information. That, he said, combined with rapid diffusion of information technology, will continue to keep Wisconsin hospitals on the cutting edge, much of which can continue to be accomplished without the need for legislation.

Several aspects of the Massachusetts plan are of interest as Wisconsin moves forward and begins to look for solutions to the uninsured. Brenton said the idea of segmenting the uninsured into groups, such as young people who do not purchase insurance, those who do not have employer-sponsored care, or those who are unemployed, begins to correct the problems created by a “one size fits all” solution, as is currently being proposed by Senate Democrats. The big issue that remains, however, is how to address one of the major health care cost drivers – utilization.

The Hospital Tax

The Board set aside time for an in-depth discussion of the hospital tax in light of several recent meetings between WHA staff, DHFS Secretary Kevin Hayden, and DHFS staff. After a presentation by Brenton and WHA Executive Vice President Eric Borgerding, the Board agreed to “stay the course” in its opposition to the hospital tax while continuing to dialogue with Governor Doyle and legislative leaders.

“Our agenda as it relates to Medicaid is that we support significant and meaningful payment increases absent a hospital tax,” Brenton said. “At the same time, we will continue to meet with Republican leadership and encourage them to make further improvements in the Medicaid rates for hospitals and nursing homes.”

The WHA Strategic Plan

Brenton said at last year’s planning session, the Board used the results of then newly-completed membership survey to align member priorities to the Association’s strategic plan. One of the most significant outcomes from that strategic plan was the identification of membership concern and priority for building strong physician relationships within hospitals and health systems. In response to that need, WHA’s Senior Medical Advisor, Chuck Shabino, has worked closely with staff to develop a plan to address that issue. Shabino identified four areas of activity that are included in the plan:

1. Monitor issues related to physician supply. The Wisconsin Council on Medical Education and Workforce is “alive and well” and helped nurture the Wisconsin Academy for Rural Medicine within the UW School of Medicine and Public Health.
 - Develop a Web portal to attract and connect physicians with positions open in Wisconsin.
 - Study the Wisconsin health care delivery model and determine how a different mix of providers (advanced practice providers working alongside physicians) could leverage our physician resources.
2. Train physician leaders. WHA has hosted two very successful leadership education sessions that have brought physicians together with their colleagues now in hospital administration and then taking that relationship “back to the shop.”
3. Develop tools that hospitals can use to engage physicians in quality improvement and data collection activities.
4. Report new and innovative physician/hospital business models.

Shabino said all the educational sessions held for physicians have been well attended and the next opportunity for physician leadership training will be in March 2008.