



# 2008 Board Planning Session

*In Review*

July 16-18, Kohler, Wisconsin



## “This session sets the stage...”

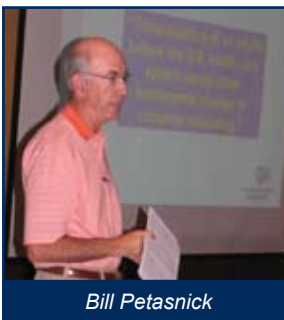
WHA Chair-elect Mike Schafer opened the 2008 WHA Board Planning Session July 16-18 in Kohler by reminding Board members of the important role the meetings have historically played in shaping the Association’s long and short term priorities. Schafer noted that the genesis of both of the Association’s key transparency programs can be traced back to discussions at Board Planning sessions in recent years.

“These sessions have set the stage for some great work that has taken place at this Association,” Schafer told the group. “Both CheckPoint and PricePoint started here. As the chair-elect and planner of this event, my hope this year is that it is as fruitful as past years and that we accomplish much as we move forward,” he added.



From left: 2008 WHA Board Chair-Elect Mike Schafer; Board Chair Ken Buser; WHA President Steve Brenton

## AHA Chair Bill Petasnick Presents “Health for Life”



Bill Petasnick

The 2008 Chairman of the American Hospital Association requires no introduction when he is in Wisconsin. As a former WHA Board chair and current president and CEO of Froedtert & Community Health, Bill Petasnick is a well-known Wisconsin health care leader.

In his opening remarks, Petasnick said as AHA Chair he’s had an opportunity to travel the country and gain a perspective on health care from a national angle. “You become aware of and have a rich appreciation for the uniqueness of Wisconsin,” he said.

“You begin to realize what we really have going on here. In Wisconsin we benefit from the leadership at our state hospital association, and we have an opportunity to think through issues before they become a crisis,” Petasnick said.

“When I meet with other health care leaders and speak at hospital associations, I come away with a sense of the complexity that surrounds an effective advocacy position,” he added. “How you fold together and get the wheel moving in the same direction is the biggest challenge.”

Petasnick said all states are challenged to cover the uninsured—a problem that has reached crisis proportions in some states. He also cited declining payments and cost shifting as serious problems in Wisconsin, as detailed in a recent PricewaterhouseCoopers analysis.

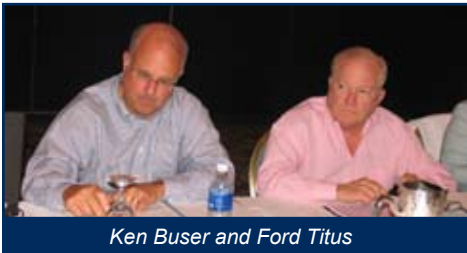
Rising bad debt is also a significant problem that reflects the current economy and the shift to high-deductible health plans, according to Petasnick. Bad debt is not included in hospitals’ charity care reports, so the question is: How do hospitals adequately convey to the public the extent of this problem?

*(continued)*

## Health Reform: A National Perspective

There is growing unease with the health care system, which is fueling the call for national health reform. One issue that is driving the conversations about reform is the growing cost of insurance and medical care. Hospitals are often the main target because of the misperception that they are a large part of the problem, even though hospital costs are only one of many health care cost drivers. At the same time, health care is a major economic driver—in some communities, hospitals are the largest employers.

Reflecting back to the last serious run at health reform in 1992, Petasnick said “a place at the table” is a top priority.



Ken Buser and Ford Titus

“Our role as health care providers is to stimulate ideas and push the envelope in ways that are unexpected. We need to develop a framework for reform that is multidimensional and helpful in gaining credibility with and support from a broad coalition,” he added. “Reform is much broader than just ‘coverage.’ It needs to be a total package that brings with it a powerful message that encourages the coalition-building process.”

## Shaping the Reform Platform

Petasnick said AHA has identified several key issues around the issue of health reform, which align with the WHA Principles on Access and Coverage. These include defining the role of government, employers, employees, individuals and whether mandates should come into play in any discussion of coverage.

“The central questions are whether health care is a right or responsibility, a service or a commodity, a business or a public good, a cost or an investment, or should it be viewed as a natural resource?” Petasnick asked.

Petasnick said AHA supports experimentation in the states that allow them to customize coverage to continue to optimize what works best, and customize plans that address their specific needs. A national strategy is desirable, but it should not usurp individual state approaches to health reform, he concluded.

## WHA Task Force on Access and Coverage Gap Analysis: Building a Framework

WHA Access and Coverage Task Force Chair Leo Brideau provided brief remarks related to the Task Force’s work over the past two years, and then introduced WHA Senior Vice President George Quinn. Quinn presented a gap analysis that he prepared for the Task Force and asked the Board for comments and feedback. The gap analysis identifies nine key principles related to improving coverage of and access to health care, and lists improvements or changes that can be made to address existing gaps.



Leo Brideau

The Task Force identified key health care cost drivers as demographics, technology, inappropriate care, and third-party payment issues, and suggested that care management, a more rational approach to end-of-life care and collaborative development of value-based purchasing, along with consumer engagement, can have a positive affect on holding down health care cost increases.

The gap analysis identifies a role for providers, employers, individuals and payers. It recommends that providers continue to seek greater operational efficiency, embrace value-based purchasing and collaborate with their communities to promote wellness. Payers should provide incentives for transparency, pay for well-care and chronic disease management, and increase administrative efficiency.



Mike Decker, Tim Size



The American Club, Kohler, WI



Dave Grundstrom, Terri Richards



WHA Staff

The sustainability of current health care cost trends, driven in no small part by workforce-related issues, as well as adopting lean business practices, were all discussed by the Board. Quinn said health care providers are not shy about owning up to their responsibilities to improve processes and finding new ways to hold the line on cost increases. In addition, hospitals and insurers are increasing transparency in pricing, quality and service to encourage and foster consumerism.

The analysis noted that while Wisconsin has a low uninsured rate, employees who work for small employers are least likely to have employer-sponsored health insurance. Board member Sandy Anderson pointed out that Wisconsin is a national leader in the number of start-up companies with 15 or fewer employees—exactly the group that finds it the most difficult to offer insurance.



John Oliverio, George Kerwin, Chuck Shabino, MD

Improving the public’s understanding of the use of information technologies in health care was also identified as a point to include in any health care public education campaign. While IT

can certainly close gaps in many areas, it is highly complex and costly and should be viewed as an investment in achieving performance improvement over time.

WHA will use the analysis to evaluate strengths and weaknesses of health care reform proposals pending in the Legislature.



### Budget Gloom Grips State Capitol

A dark budget cloud hangs over the State Capitol. Unfortunately, the downturn in the economy, combined with budget shortfalls, higher than expected enrollment in BadgerCare, and two pending legal settlements that could cost the state millions, are setting the stage for difficult state budget deliberations in 2009.

According to WHA Executive Vice President Eric Borgerding, the outlook for the coming budget is even worse than it was for the budget session that just ended. “The slowing economy and rising health care costs could fuel calls for government action,” Borgerding said. “The current environment raises many questions. Hospitals need to be leaders in the debate and offer sound solutions that will help avert a crisis in the government programs that have been expanded and financially over-extended to cover more kids, adults, and potentially, others who have difficulty accessing coverage.”

Borgerding said WHA’s advocacy staff has been meeting with candidates in their districts now in an effort to answer questions about health care proposals and discuss Association priorities. Candidates frequently report that their constituents’ number one concern is health care, so ensuring that they have access to information that will increase their understanding of the issues is essential. *(continued)*



Eric Borgerding, David Olson



Tom Bayer, George Quinn



Doug Peterson, Brian Kief, Sandy Anderson

## The Challenge: Develop Affordable Options to Improve Coverage, Increase Access

Health care providers have an opportunity to further improve the health status in their communities by improving access and coverage. The challenge is to seize the right opportunities that will lead to improved coverage and health care that is affordable and accessible to Wisconsin residents. In three small breakouts, WHA Board members deliberated key points made throughout the day.

In the final analysis, all three groups agreed the Wisconsin Hospital Association and its individual members should work at both the state and local level for rational and thoughtful improvement of the health care delivery and financing system. After thoroughly discussing the WHA's Access and Coverage Principles and using the gap analysis to identify options and opportunities to address disparities, the Board determined that the Principles provide a good framework for determining the viability of health reform proposals developed at the state or national level.

## “The Best of Times...The Worst of Times:” A Look Ahead to 2009



Steve Brenton

A bleak and perhaps dire state budget situation will be a major dynamic in the political scene in the months ahead as will the increasingly likelihood that the Wisconsin Assembly will flip Democrat this fall. However, WHA President Steve Brenton said the members and staff are well positioned to advocate on behalf of the communities and patients they serve and have taken a number of steps to align with the changing environment.

“Wisconsin hospitals represent what is good about health care in America. We have a low rate of uninsured, yet we are working to leave no one behind in coverage. We deliver high quality care, and we continue to devote resources in an effort to raise our marks even higher,” according to Brenton. “Even in the most challenging political environment, we are well positioned to continue to advocate on behalf of our hospitals and the communities they serve,” he added.

Loren Anderson, executive vice president of Aurora Health Care's South Region, recently announced his retirement. At the Planning Session, the WHA Board recognized Anderson's service to the Association and leadership in his community. Anderson will continue to serve on the WHA Information Center Board of Advisors. *Pictured at right: WHA President Steve Brenton and Loren Anderson.*

