October 24, 2003

WHA Praises Committee Action to Keep Weapons Out of Hospitals

Led by Representative Kitty Rhoades (R-Hudson) and Senators Sheila Harsdorf (R-River Falls) and Alberta Darling (R-River Hills), legislators voted to prohibit concealed weapons in hospitals during committee debate on a bill allowing carrying concealed in public with a license.

“There’s no avoiding highly emotional, stressful and often life and death situations in hospitals,” said Rep. Rhoades. “It’s this reality that requires flexibility for hospitals under this law.”

The WHA-backed amendment to Senate Bill 214 creates a presumption that concealed weapons are prohibited in hospitals, but allows hospitals to “opt out” of the ban and allow concealed weapons if they choose.

“Our action recognizes the unique circumstances found in hospitals and preserves their ability to make decisions that are right for their communities, patients and staff,” said Sen. Darling.

WHA Senior Vice President Eric Borgerding praised the amendment’s authors and their colleagues for preserving the right of Wisconsin’s 130 hospitals to govern their facilities. “WHA appreciates legislators’ willingness to trust hospitals to make the right decisions about what is best for patients and families, and their caregivers,” he said.

Added Sen. Harsdorf, “I believe we have successfully struck a balance between allowing law-abiding citizens to protect themselves and their families, and preserving the ability of hospitals to provide the 24/7 routine, emergency, and life-saving care we all count on.”

Hospitals from around the state weighed in on the issue, delivering hundreds of phone calls and e-mails to legislators within 48 hours of WHA’s action alert. The well-oiled grassroots machine at Covenant Healthcare in Milwaukee generated over 350 contacts alone. We know there were hundreds of others coming from hospitals in Milwaukee, Madison, the Fox Valley and every corner of the state.

WHA Financial Solutions Adds Fee-Based Program

WHA Valued Voice Editor Mary Kay Grasmick interviewed WHA Financial Solutions Senior Vice President Jon Braddock for this story. WHA Financial Solutions is a Corporate Sponsor of WHA.

1. Jon, recently WHA Financial Solutions added a fee-based service option, but still offers the more traditional approach of commission-based insurance. Why would a client choose fee-based services?

With an unsteady economy the question employers face isn’t whether or not to review their benefits program, but rather, have they explored all opportunities for efficiencies and cost control. Finding an experienced advisor to address these challenges is critical to realizing the strategic employee benefit goals.

Financial Solutions realizes that for some it is important to know up front what the fees are and what to expect in return. Fee-based solutions are an alternative to commission-based services and it delivers employee benefit solutions that alleviate risk and improve efficiency through strategic review of the benefit program needs and objectives.

2. What can clients expect from Financial Solutions’ fee-based program?

The scope of services include:

- Solution-focused planning across all lines aimed at minimizing rising costs.
- Comprehensive, straightforward claims analysis for strong cost control.
- Program modeling to maximize your benefits investment while understanding employee utilization impacts.
- Strategic communications and benefit delivery tools to improve employee involvement and satisfaction with valuable health care benefits.
- Benchmarking tools to measure your benefit programs against those of your peers.
- Employee surveys to gain their perspective.

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WHA Board Recommends New Site for Headquarters

At its October 16 meeting, the WHA Board approved the recommendation of the Property Committee to sell the existing WHA headquarters building and move to a new site that will be constructed in 2004-2005.

In evaluating the three fundamental alternatives – staying in the current building, buying or constructing a new building, or occupying new space as a tenant – the Board considered the following factors:

- ✔ The existing building is 33 years old, in need of major renovation, and its location is no longer the most desirable
- ✔ WHA leases out some space, but does not make a profit on renting the space
- ✔ Any site considered must be convenient for both members and staff
- ✔ Any change in location should have minimum impact on member dues

The Board approved a proposal that would have Mortenson Investment Group purchase the building, construct a new office building, and lease space to WHA. This option provided for the lowest cost over a ten-year period, and at the same time, avoids any future costs related to continued ownership of the current WHA headquarters.

This is a major decision for the WHA Board and members and requires member approval in order for the transaction to take place. WHA sent a detailed analysis to all members this week, and staff will be presenting the issue at upcoming region meetings. Ballots will be sent to members in January 2004 for their votes.

If you have questions regarding the building issue, contact George Quinn at 608-274-1820, or gquinn@wha.org.

2004 Budget Continues Focus on Advocacy

The WHA 2004 budget, approved by the Board at its October 16 meeting, will continue the Association’s focus on advocacy. The budget calls for increased resources for:

- ✔ Government Relations – an 11.5% increase enhancing our presence at the Capitol and in Washington D.C.
- ✔ Workforce Development – the 28.8% increase reflects the fact that this is now an enhanced program area with its own Council on Workforce Development
- ✔ Quality Initiatives – 2004 will see the reporting of WHA’s CheckPoint quality data, and the 80.5% increase reflects the development of the infrastructure for reporting mechanisms
- ✔ Finance – an additional $45,000 for financial modeling software from the Hospital Association of New York State (HANYS). Both WHA staff and members use modules from this software.

By redeploying other resources, WHA was able to keep overall expenses at a 10.6% increase for 2004.

Dues will increase by an average of 2.5%, but we are implementing a sliding scale increase, at the following rates:

- ✔ One percent for hospitals with 2002 expenses less than $15 million – 34 hospitals
- ✔ Two percent for hospitals with expenses between $15 million and $100 million – 61 hospitals
- ✔ Three percent for hospitals with expenses between $100 million and $200 million – 12 hospitals
- ✔ Four percent for hospitals with expenses over $200 million – 10 hospitals
- ✔ All other members, mainly specialty hospitals, will receive a 2% increase

The net operating margin from the above is projected at $95,522, or 2.2% of revenue.
President’s Column

Meeting in Madison on October 16, the WHA Board approved a 2003-2007 strategic plan that was heavily influenced by the Board’s 2002 and 2003 planning sessions and by the 2003 member survey. The plan (the document can be accessed at www.wha.org in the Featured News section) relies heavily on three key principles for health care reform adopted by the Board in late 2002. Those principles suggest that WHA must work to:

1) Enable consumerism;
2) Improve coverage and access; and
3) Promote community accountability.

At that same meeting, board members approved a WHA budget that is shaped by 2004 priorities, including:

- Enhancing advocacy effectiveness in Madison and Washington, DC;
- Implementing the CheckPointSM (quality and safety) initiative; and
- Successfully privatizing hospital claims information.

As unanimously approved by the WHA Board, overall dues will increase by 2.5% next year with approximately 80% of hospital members seeing an increase of 2% or less.

Also, last week, the WHA Board approved the creation of the Council on Workforce Development. Consistent with member opinion that workforce issues are among their very highest priority, the new council provides a vehicle to identify and advance a proactive agenda.

It appears that the Council on Graduate Medical Education (COGME), a national advisory body authorized by Congress to help shape federal government policy on the size of the nation’s physician workforce, has concluded that the country is facing a growing physician shortage. This finding reverses the group’s long-standing position that the nation faces a physician surplus. This recent development, which actually aligns with findings of WHA’s Task Force on Wisconsin’s Future Physician Workforce, signals something of a watershed in the national thought process associated with physician supply issues. In fact, COGME’s change in direction virtually guarantees that the physician workforce issue will be high on the national radar screen in 2004.

The Healthy Wisconsin 2003 campaign has blown past the $125,000 contribution goal...a terrific indicator of member support for WHA’s improving advocacy effectiveness. Special thanks to WHA’s Ann Lucas and Advocacy Committee Chair Ford Titus for their special efforts in achieving this impressive outcome.

Steve Brenton
President

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The Senate was scheduled to debate SB 214 on Thursday, October 23, but still has not voted on the bill at press time. Once approved, the bill goes before the Assembly Criminal Justice Committee prior to debate by the full Assembly. Final passage is expected by November 13. Governor Doyle has said he will veto the bill, but supporters are planning an attempt to override the veto. For more information, contact Eric Borgerding or Jodi Jensen at 608-274-1820 or eborgerding@wha.org or jjensen@wha.org.

To view WHA’s position paper on SB 214 or our press release on the Joint Finance Committee vote, visit our Web site at www.wha.org.
Aligned, Statewide Nursing Program Will Reduce Waiting Lists

Faculty and administrators from each of Wisconsin’s 16 technical colleges recently completed a two-year, collaborative curriculum development project focused on alleviating the state’s nursing shortage. In fall 2004, learners will be able to enroll in a statewide, “one-plus-one” nursing program at any one of Wisconsin’s 16 technical colleges. Unique in its design, the nursing program allows students to become practical nurses after one year and associate-degree nurses after two years, without overlap or repeating credits.

“The program prepares students for taking the licensed practical nurse exam after the first year and the registered nurse exam after the second year,” said Kathleen Cullen, assistant vice president of the office of instruction at the Wisconsin Technical College System (WTCS).

The program is aligned across the state, which means no matter where or how it is delivered - online or face-to-face - it has the same course titles, numbers, credits, descriptions, competencies and performance standards. The one-plus-one nursing program requires the same core competencies to become a practical nurse as it does to become an associate-degree nurse. This allows learners to more easily transfer between programs and schools without duplicating credits. The new curriculum allows students who complete the one-year practical nurse program to return to school to become an associate-degree nurse without duplicating credits. The new program gives students the choice of online or traditional learning for the theory portion, but also retains clinical hands-on experience. The emphasis on expansion of nursing programs statewide is expected to reduce long waiting lists throughout the system.

“This is very welcome news for hospitals and the health care industry,” said Eric Borgerding. “We have massive waiting lists at our technical schools, and massive need at hospitals and health care facilities. WHA has been working on this issue both in and out of the legislature for the past three years and we are pleased to see this kind of cooperation and progress.”

Judy Warmuth, WHA vice president, workforce development, called the coordinated curriculum an “exciting first” for nursing in Wisconsin.

“Students can now investigate a single curriculum when they are considering enrolling in a technical college nursing program. They can opt to take the LPN exam and earn income and gather experience while they finish their associate degree in nursing. Each of these new options makes it easier to become a registered nurse in Wisconsin,” according to Warmuth, “And it will help us train more nursing professionals to help alleviate our shortage of nurses.”

Tammy Baldwin Signs Dear Colleague Letter on 75% Rule

Rep. Tammy Baldwin gave her support to a “Dear Colleague” letter circulating Congress that supports legislation to stop the implementation of the 75% rule. The CMS rule states that for inpatient rehabilitation facilities to qualify for Medicare reimbursement, that 75% of the patients served by the unit must receive treatment for one of 10 specified conditions. CMS had suspended enforcement of this rule in June 2002 out of concern it was being applied uniformly. The CMS proposed rule issued September 9, increases the number of conditions from 10 to 12 and lowers the compliance threshold to 65% resulting in severely limiting access to inpatient rehabilitation care. CMS cites no medical evidence to support its contention that inpatient rehabilitation is appropriate under these limited circumstances. The proposed rule does not reflect the advancements in rehabilitation over the 20 years since the first list of conditions was created.

WHA members with inpatient rehabilitation units are encouraged to contact their member of Congress to sign on the dear colleague letters circulating in each house by October 29. For more information, contact Ann Lucas at alucas@wha.org.
Assembly Republicans Introduce Health Insurance Reforms

Health care costs moved to the front burner this week in the state legislature. In a Capitol news conference, Assembly Republicans announced a legislative package aimed at reforming state health insurance laws to provide more affordable options for small employers.

“I hear more about the high cost of health care from my constituents than I do about high taxes,” said Rep. Bonnie Ladwig (R-Mt. Pleasant), one of the plan’s authors. “This is becoming a huge problem and there is no easy answer.”

The plan was developed by an ad-hoc committee on health insurance costs appointed this summer by Assembly Speaker John Gard (R-Peshtigo).

“This plan allows the private sector to respond to the health insurance crisis without additional government regulation or government financial involvement,” said Rep. Curt Gielow (R-Mequon).

The plan includes four components:

- Cooperative Health Care Purchasing Alliance
- Benefit Mandate Flexibility
- Chamber of Commerce Self-Insurance Plans
- Improving Medical Savings Accounts

(For more details on the plan components, visit WHA’s Web site at www.wha.org.)

Under the plan, each proposal will first be piloted for three years in different areas of the state before becoming permanent or applied statewide.

“The plan encourages individuals to be in control of their health care dollars,” said Rep. Becky Weber (R-Green Bay), also a member of the Assembly Insurance Committee. “An engaged and informed consumer is a smart consumer and the end result is lower health care costs for everyone.”

The package now will be drafted into legislation and referred to the Assembly Insurance Committee chaired by Rep. Ladwig.

“I am pleased to be involved with a plan that establishes a competitive medical marketplace, involves no state spending, and offers consumer flexibility,” said Rep. Mark Honadel (R-South Milwaukee).

WHA, which has been working with employer and insurer groups on a package of consumer-focused reforms, embraced the Assembly proposal.

“We are still examining the proposals, but at first blush, it offers a consumer-focused alternative to the single-payer proposal being touted by the AFL-CIO, and other government-centered approaches such as that being advocated by WEAC,” said WHA’s Eric Borgerding. “This package appears very consistent with WHA’s consumer and market-focused reform principles and the direction we are heading along with certain insurer and employer groups.”

For more information on the proposal contact Eric Borgerding at 608-274-1820 or visit the WHA website at www.wha.org.

FDA/CDC Statement Regarding Recalled Lot of Influenza Vaccine Rumor

Rumors have been circulating that a “contaminated” lot of flu vaccine has been recalled by the FDA. This is false. No contamination of any flu vaccine has been identified anywhere in the U.S., and the FDA has not recalled any lot of flu vaccine. Flu vaccine is routinely tested for safety, purity, and potency and all lots released have met these standards. As with any vaccine, flu vaccine is capable of causing some side effects, but they are very rarely severe. The flu vaccine is the best way a person can protect themselves and their loved ones against influenza. October and November are the best months to get vaccinated - however, vaccination in December or later still provides considerable protection. For more information about influenza, go to http://www.cdc.gov/nip/Flu.
Wisconsin Collaborative on Health Care Releases First Report

*Health Care Quality Information Essential, Doyle says at Summit*

The Wisconsin Collaborative for Healthcare released its first quality reporting effort this week. The report, which outlines performance in 42 areas, was the work of the collaborative group of major physician practices and hospital systems, which included: ThedaCare, Froedtert, Gundersen Lutheran, Marshfield Clinic, Dean Health System, St. Marys Medical Center, Madison; and Bellin Health.

Speaking at the First Annual Healthcare Quality Summit in Milwaukee on October 22, hosted by the Collaborative, Governor Jim Doyle said it is essential for hospitals and doctors to begin releasing information on the quality of care they provide to the public.

Doyle said providers who offer higher quality health care need to be recognized and rewarded with increased business because quality care reduces costs. That is the concept underlying the state’s new efforts to reduce its own health care costs, he said.

Quality measurements in the Collaborative’s report include such areas as the percentage of suspected heart attack patients who are given aspirin, the number of patients who have their cholesterol controlled and the percentage of patients successfully undergoing coronary angioplasty. The measures also look at patient satisfaction and how long it takes to get in to see a physician.

Attendees at the summit heard presentations about the innovative work that is occurring within Wisconsin hospitals and health care systems to improve the quality of life for those with chronic disease and reduce their cost of care. Other speakers focused on options for purchasing health care based on quality, cost and value and they outlined the role that employers can play in improving the health status of their employees.

*Story Credit: Reporter Joe Manning’s story written for the Milwaukee Journal Sentinel, October 22, 2003, was used for background in this Valued Voice article.*

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3. Do you still offer the more traditional, commission-based option?

Yes. However, we believe it is best for our hospital clients to have a choice in how they pay us for our services.

4. At one time, it was believed that the WHA for-profit subsidiary, now called WHA Financial Solutions, should expand into other industries, outside of health care. What spurred the decision to return to exclusively offering services to hospitals?

As the wholly-owned subsidiary of the WHA, we understand the unique issues and challenges faced by Wisconsin hospitals. This allows us to work more efficiently, thus keeping our costs low. We have a responsibility to the membership of WHA to provide each and every hospital with the best possible benefits, solutions and service—after all, we wouldn’t even exist without them.

WHA Financial Solutions works exclusively with Wisconsin hospitals to offer leading edge employee benefit, retirement and corporate insurance solutions. For more information, contact Jon Braddock at 800-362-7121 or *jbraddock@wha.org*. 
SEIU Uncovers WHA/WMC Conspiracy ... Apparently

This week the Service Employees International Union (SEIU) District 1199 launched an unprovoked, yet unsurprising, attack on both WHA and the Wisconsin Manufacturers & Commerce (WMC). According to the union’s press release, WMC and WHA have been working together to “prevent a fair hearing for legislation to ban mandatory overtime for health care workers which will protect workers and retain nurses who are leaving the profession.” On October 22, a group of approximately 60 SEIU members gathered in front of WMC to call attention to the conspiracy, before taking their complaints to the State Capitol.

“This is nothing new,” said WHA’s Eric Borgerding “Rather than work together to find solutions to our health professions shortages, the SEIU continues to lob press grenades packed with unsubstantiated claims about use of overtime in hospitals, and now our apparent secret plans with WMC to thwart a public hearing.”

According to the union’s press release, the “widespread use of mandatory overtime” (in Wisconsin we assume) is putting patients at risk, and if not banned, “Wisconsin can spend all the money it wants on training new nurses, they’ll walk out the back door.”

However, the most recent survey of the nursing workforce conducted by the Department of Regulation and Licensing (conducted in early 2002) continues to throw water on the unions claims. According to the estimated 56,925 RNs who responded to the survey, 3,420 — or just 6% — indicated they had worked mandatory overtime hours in the past month. The vast majority of overtime was performed voluntarily, or by salaried nurses, according to the survey.

The survey also indicates that overtime, when used, is not a significant factor in nurses leaving or avoiding the profession. According to the survey data, only 689 of the estimated respondents— just 1.2% — indicated that they planned on leaving nursing in the next year due to shift assignments or hours.

“We know that unavoidable overtime is rarely used in Wisconsin, and WHA will not choose to simply ignore the facts,” said Borgerding. “WHA will continue to pursue a more reasoned and responsible approach to the health care workforce issues, both inside and outside the legislature, and we invite the SEIU to join us in that effort.”