An Interview With Mark Shields

During Advocacy Day on May 11, The Valued Voice Editor Mary Kay Grasmick had an opportunity to interview Mark Shields, a Washington Post columnist and member of CNN’s The Capitol Gang, who delivered the keynote speech at Advocacy Day. Here’s what he had to say about participating in the political process and why it is important.

We have more than 500 hospital trustees, volunteers and employees in Madison today to visit with their legislators. If you were going to give them some pointers before they cross the street to the Capitol, what would they be?

I think any advocate who is effective has fully acquainmted himself or herself with the legislator they are going to meet. Know what committees they are on, what issues they are interested in, all in an effort to build a bridge for communicating with them.

Wisconsin Hospitals PAC, Conduit and AHA PAC Fundraising Campaign Off to Healthy Start

Just over a month into the campaign, 115 employees, volunteers and auxillians representing hospitals from all over the state have stepped up their support for these political action funds. These contributions tally over $45,000 and account for over 25 percent of this year’s $175,000 annual goal.

Well over half (56 percent) of these individuals have become members of the new Silver “H” Club, which means they have donated $250 or more to these funds.

In an interview, WHA’s Advocacy Day Keynote Speaker Mark Shields explained why he believes contributing makes sense when he said, “Making a political contribution is not just about writing a check; it is about taking an interest in and involving oneself in the campaign. You are reinforcing your message and moving the campaign forward with contributions. I think we forfeit our right to complain about elected officials when we refuse to contribute. If the complaint is, ‘Candidates only pay attention to the donors,’ and if that is the case, why not make a contribution!”

AHA members will receive fundraising materials next week for the AHA PAC. For more information about the AHA PAC and Wisconsin Hospitals PAC and Conduit, contact Jodi Bloch at 608-274-1820.
**Injured Patients and Families Compensation Fund Transfer Rejected**

The budget-writing Joint Finance Committee (JFC) continued their work on the budget this week and Tuesday’s (May 17) action included rejecting the Governor’s transfer of $180 million from the Injured Patients and Families Compensation Fund (PCF) to the General Fund by a vote of 14-2.

“The PCF is a cornerstone of Wisconsin’s favorable medical malpractice environment,” said WHA President Steve Brenton. “And the notion of using one-time money to fund ongoing Medicaid costs only creates a structural Medicaid deficit in the future.”

Assembly Co-Chair Dean Kaufert (R-Neenah) said that, “Restoring the cut would make sure that the state continues to recruit and keep good physicians in this state … this is one of the things that’s right with Wisconsin’s health care system.”

Looking toward the future of the Fund, Senate Co-Chair Scott Fitzgerald (R-Juneau) encouraged physicians to work to find a way to safeguard the fund against attempts to raid the fund by finding a way to privatize the fund.

WHA continues to urge lawmakers to “make Medicaid a priority” as the state budget is cobbled together during JFC deliberations at the Capitol.

**“Widespread” Patient Access Improvements in Texas Since Medmal Reforms**

**Fate of Wisconsin’s medmal system in hands of WI Supreme Court**

The AMA announced on May 16 that it had removed Texas from its list of medical liability “crisis states,” following recent improvements in access to care and physician recruitment and retention, particularly in high-risk specialties such as obstetrics. According to the AMA, since the 2003 enactment of medical liability reform in Texas that included limits of $250,000 on non-economic damage in medical liability cases, Texas has also seen new medical liability insurers entering the market and rate cuts totaling about $50 million in savings for Texans.

Meanwhile, the AMA also added Rhode Island to the list of medical liability “crisis states.” The AMA story indicates that due to a deteriorating medical liability climate and a growing threat of patients losing access to care, Rhode Island was added to the crisis list. “An unrestrained legal assault has eroded Rhode Island’s health care system to the point where physicians are restricting services, and patients are losing access to care,” told AMA Trustee William G. Plested, MD to the AMA.

A recent survey by the Rhode Island Medical Society illustrates how an unrestrained medical liability system can place patients’ access to care in jeopardy: 49 percent of Rhode Island physicians say that increasing medical liability costs has caused them to discontinue or consider discontinuing certain services, and 48 percent of Rhode Island physicians say that increasing medical liability costs has forced them to consider leaving the state or giving up clinical practice.

Wisconsin has enjoyed a stable medical liability environment since the enactment of its current medical liability noneconomic damage cap 10 years ago (currently at approximately $433,000 and adjusted yearly for inflation), and, according to the AMA, is one of only six states that are not experiencing problem signs or a medical liability crisis. Wisconsin does not have a cap on economic damages. The ability of Wisconsin hospitals to attract and retain quality health care professionals and, therefore, provide affordable health care to Wisconsin citizens is particularly linked to Wisconsin’s noneconomic damages cap. The overwhelming evidence, both nationally and in Wisconsin, demonstrates that in states with meaningful noneconomic damage caps, such as Wisconsin, medical liability insurance premiums are lower than in other states. Wisconsin’s noneconomic damage cap is currently being challenged in the Wisconsin Supreme Court in *Ferdon v. Wisconsin Patients Compensation Fund*. The plaintiffs in that case are asking the Court to declare the cap unconstitutional.

A link to the AMA story can be found at [www.ama-assn.org/ama/pub/category/15063.html](http://www.ama-assn.org/ama/pub/category/15063.html).
President’s Column

Here’s one person’s take on the current State of Wisconsin budget situation as we (hopefully) enter the home stretch...

Two expensive state programs have been competing for funding attention since Governor Doyle introduced his budget back in January: K-12 education funding (viewed in some circles as a property tax relief issue) versus Medicaid. The latter program now includes an expensive prescription drug benefit known as SeniorCare. That politically popular entitlement, which was once viewed as a “bridge” to the new Medicare drug benefit, has significantly contributed to the Medicaid program’s deficit position for the current fiscal year and its expected growth during the next biennium.

On the revenue side of the equation, it’s important to understand that Governor Doyle proposes to spend most of the dollars expected from real revenue growth on funding two-thirds of the statewide cost of K-12 — an increase of over $800 million. The result of this decision, along with the Governor’s desire to “fully fund” Medicaid, are Doyle Administration proposals to use one-time revenue sources, including: bonding, “surplus” dollars from the Patients Compensation Fund and other segregated accounts, and HMO and private nursing home patient assessments to generate revenues to pay for the Medicaid budget. While most of the proposals have already been rejected by the Joint Finance Committee, the troublesome policy issues associated with each of these revenue streams—the practice of relying on one-time revenue sources to fund the Medicaid program—will create a new crisis two years from now with a Medicaid budget once again facing a structural revenue deficit. Déjà vu.

Republicans, especially in the Assembly, have raised serious objections about the Doyle spending priorities. They point out that giving K-12 $800 million in new funding while providing no payment improvements to hospitals (for fifth consecutive year) actually increases the “hidden tax” on business through higher health insurance premiums. And they are right! That’s one reason we have something of a budget impasse as we approach the end of May. One could argue, and some do, that what has emerged is an ugly budget priority scenario that pits funding education versus funding Medicaid.

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Now for some good news. Earlier this week, the Legislative Fiscal Bureau released a report that suggests state revenue growth is significantly higher than estimated in January. The new forecast projects revenues exceeding previous estimates by $129 million for the current biennium (that should cover the projected Medicaid deficit for the fiscal year ending June 30) and by a quarter of a billion dollars during the next biennium.

Assuming that this newfound cash can be targeted to address the budget impasse caused by the raging debate over spending priorities...as opposed to funding new programs...we may have a promising start to the necessary quest of cobbbling together the cash necessary to produce a budget sometime in June.

Wisconsin’s economy is on the rebound, revenues are growing, and Medicaid can and should be a priority in this budget. WHA stands ready to work with the Legislature and the Governor to achieve the right balance of Wisconsin’s important priorities.

Steve Brenton
President
Hospitals Across the State Utilize Local Newspapers to get Message out

Make Medicaid a priority in the state budget!

As WHA works diligently with the State Legislature to see the “Medicaid Downpayment Plan” included in the budget bill, hospitals are turning up the heat statewide by initiating any number of grassroots activities, including working with local newspapers to get WHA’s Medicaid message out.

On May 12, the Wisconsin State Journal (Madison) ran a joint editorial on Medicaid and the cigarette tax co-authored by Frank Byrne, president of St. Marys Hospital; Terri Potter, president of Meriter Health Services; and Donna Sollenberger, president and CEO of UW Hospital and Clinics.

“Legislators need to know that the current situation is unsustainable. Medicaid must be adequately funded,” they began. “In 2004, it is estimated that Medicaid, on average, paid Wisconsin hospitals just 55 cents for every dollar it cost to provide care to Medicaid patients...The level of payment is even less for larger hospitals like Meriter, St Marys Hospital Medical Center and UW Hospital & Clinics that have significant Medicaid populations.”

In a letter to the editor that ran in the Baraboo News Republic, CEO Sandra Anderson of St. Clare Hospital echoed those sentiments. “Hospitals are an important part of the communities and already absorbed an $80 million cut in the last budget. In addition, our Medicaid reimbursements haven’t been raised in years.”

Citing statistics that a $1 increase would result in 44,000 adult smokers quitting and prevent 72,000 children from ever starting, Anderson’s letter to the editor favored raising the cigarette tax by $1 and using it to fund health care related programs.

“Every day we see the deadly toll smokers pay. Last November St. Clare Hospital and St. Clare Meadows took a stand and became entirely tobacco-free...I ask you to join me today in urging our government and legislators to support the $1 increase in the cigarette tax,” Anderson wrote.

A WHA/American Cancer Society poll found 77 percent of Wisconsin citizens supported raising the cigarette tax by $1 and directing those funds toward health care.

“We hope the Governor and the Legislature find their way through the smoky rhetoric and do the right thing – raise the cigarette tax and use those dollars to fund our Medicaid program,” Byrne, Potter and Sollenberger closed.

Feingold Urges Senate Appropriators to Provide Funding for Dental Workforce

To help strengthen the nation’s dental workforce in rural and underserved communities, Senator Russ Feingold (D-WI) joined with Senator Susan Collins (R-ME) to urge Senate appropriators to include at least $10 million in the Fiscal Year (FY) 2006 Labor-HHS Appropriations bill.

Collins and Feingold teamed up several years ago on the Collins-Feingold Dental Health Improvement Act, which was later included in the Health Care Safety Net Amendments of 2002. That legislation authorized $50 million through FY 2006 to be used for grants to states to develop dental workforce programs. In the FY 2005 appropriations bill, $10 million was earmarked for dental projects in nine states that could have been eligible for funding through this grant program. Both Feingold and Collins are again requesting appropriators provide $10 million for 2006 under this program.

“I continue to hear about the negative impact that the lack of dental care is having on the health of families in Wisconsin,” Feingold said. “That is why this legislation is essential to getting badly needed resources to the states so they can help residents in rural and underserved areas gain access to good dental care.”
CMS Issues 2006 SNF PPS Proposed Rule

The Centers for Medicare & Medicaid Services (CMS) placed on display the proposed rule for the skilled nursing facility prospective payment system (SNF PPS). The rule includes the annual update for fiscal year 2006, refinements to the payment system, and other changes. Look for more detailed information on the rule soon; in the meantime, find the proposed rule at www.cms.hhs.gov/providers/snffps/rugrefine.asp. Comments on the proposed rule are due July 12.

Here are the highlights of the proposed rule:

**Annual Update and Policy Revisions** – The rule includes a full market basket update of 3.0 percent that would take effect October 1, 2005, increasing Medicare payments to SNFs by $510 million. It also would change labor market area definitions to core-based statistical areas, using the definitions adopted for general acute care hospitals.

**SNF PPS Refinement** – CMS proposes to refine the SNF PPS by reclassifying certain medically complex patients into new payment categories and increasing payments for non-therapy ancillaries in all categories. Key changes include:

- **Elimination of Payment Add-ons** – Current add-ons – 20 percent for medically complex resource utilization groups (RUGs) and 6.7 percent for rehabilitation RUGs – would expire December 31, 2005. Removal of these add-ons means that payment would fall $1.02 billion from 2005 levels.

- **New RUGs** – Currently the SNF PPS is based on 44 RUGs. To reduce variability, the rule would establish nine new RUGs for medically complex patients who utilize the greatest amount of non-therapy ancillary services (such as drugs, IV therapy, and lab services).

- **Proposed Case Mix Adjustment for Nursing** – To further address the current system’s limitations in appropriately reimbursing SNFs for medically complex patients, the case mix weights for all 53 RUGs would be adjusted by increasing the nursing component for each RUG by approximately 8.4 percent, producing an overall payment increase of $510 million.

For hospital-based SNFs, the net fiscal impact of this proposed rule would be an increase of 2.5 percent for urban units and 1.3 percent for rural units.

**Member News: Children’s Hospital of Wisconsin Appoints Michael Gutzeit, MD, Vice President and Chief Medical Officer**

Michael Gutzeit, MD, has been named vice president and chief medical officer of Children’s Hospital of Wisconsin. Gutzeit is an assistant clinical professor of Pediatrics at the Medical College of Wisconsin. Prior to assuming his new leadership role, Gutzeit practiced for 17 years as a primary care pediatrician with Children’s Medical Group at Southwest Pediatrics in New Berlin. Gutzeit succeeds Robert J. Miller, MD, PhD, who retired in April after nearly 26 years of service at Children’s Hospital.

**Wisconsin Rural Health Conference**
June 22-24, 2005
Kalahari Resort, Wisconsin Dells
In human terms what you are trying to do is reach someone under the most positive of conditions. Find someone who has volunteered in the politician’s campaign or who knows them on a personal basis. If you can connect with them on that level, you can be sure of getting a real hearing.

The important thing to understand about legislators is that there are dozens of competing interests and issues that occupy them. They are stretched thin and may be concerned about the next election. Beyond that, they must know something about everything—the environment, health care, workers compensation, and a myriad of other issues.

Make your message as direct and brief as possible. Use real life examples, not theories, to illustrate your point. Be sure and leave them with an action statement—be it to read, respond or react. Don’t be afraid to ask the legislator to sponsor specific legislation if that is what you want.

Some people are hesitant to make political contributions because they are concerned about how their money will be used—or misused. Should people support legislators with their pocketbooks?

In the 2004 presidential election, we saw a wonderful example of citizens making contributions. In fact, individual giving to both the Kerry and Bush campaigns was the highest in our nation’s history by a factor of 5. I think one of the reasons for that was that people understood that there was no big money or soft money powering the campaigns, so they understood the value of their individual contributions.

Making a political contribution is not just about writing a check; it is about taking an interest in and involving oneself in the campaign. You are reinforcing your message and moving the campaign forward with contributions.

I think we forfeit part of our right to complain about elected officials when we refuse to contribute our own time, energy, or resources to any political campaign. If the complaint is, “Candidates only pay attention to the donors,” and if that is the case, why not make a contribution?”

“The amount of the contribution does not need to be big—$10, $25, or $50. Get a group of friends and neighbors together and have a house party to raise money for a candidate. Volunteering for a campaign and donating money to the candidate—believe me, that will get attention.

We have some very important issues that we will soon be taking to Washington, including inadequate Medicare reimbursement (we’re near the bottom in the country in terms of Medicare reimbursement) and an issue involving critical access hospitals. In the current polarized atmosphere in Washington DC, what do you believe would be Wisconsin’s most effective strategy?

There is always strength in numbers. The more individuals or organizations that you can rally to your cause, the better. When the size of the group supporting your cause reaches a critical mass, any legislator or elected official has to pay attention.

The advantage that hospitals have over other institutions is that hospitals are community based. You can’t outsource your work; you can’t move your emergency department to Pakistan. I think for that reason, legislators are more alert and more aware of the importance of hospitals.

Wisconsin has some major players in its delegation in Washington, DC. If you can approach them on a bipartisan basis, and if you can get Obey, Green, Feingold, Ryan, and Kohl speaking with one voice—they will be heard.
of cost shifting, is now subsidized by employers across the state through higher health insurance premiums.

If lawmakers want to curb costs and make health care more affordable, they must start with their own programs. They have to make difficult decisions, appropriate the funding necessary to pay hospitals at least something approaching what it costs to provide care, and quit shifting the cost of government health care programs onto the backs of the employers, employees and their families.

We hope that others will join thousands of hospital volunteers, employees, and trustees in their support of making Medicaid funding a priority in the state budget. Call your legislator at 800-362-9472 to tell them to make Medicaid a priority in this budget.