May 21, 2004

Underheim Wants New Data Mandates
Proposal Come as Private Sector Efforts Flourish

Representative Gregg Underheim (R-Oshkosh), chair of the Assembly Health Committee, unveiled three new bills the week of May 10. Two of these would mandate in statute public reporting of specific hospital data, including readmission rates and compliance with the 30 Leapfrog safety standards. The third bill would create a massive new bureaucratic review process for hospital bills that exceed an initial estimate (another new mandate). This bill would also require reporting of hospital charge information to DHFS, largely duplicating information reporting already required under current law. WHA, along with a number of other organizations and legislators, strongly opposes all three bills. (For more information, view the legislative council summary of these proposals on the WHA Web site at www.wha.org).

The proposals, and the abrupt manner in which they were developed and scheduled for a hearing, came as a shock to the health care community and many legislators, particularly at a time when Wisconsin is emerging as a national leader in health care information and “transparency.” (See President’s Column on page 3.)

Though the regular legislative session has ended, the bills were apparently intended to be passed during an extraordinary session on health care this week (see related stories). A hearing on the bills scheduled Tuesday, May 18 was cancelled. WHA and several other health care provider and purchaser organizations were prepared to testify against all three bills. (continued on page 2)

Wisconsin Hospitalizations Increase in 2003
Medicare and Medicaid Patients Account for Majority of all Admissions

WHA Information Center, LLC issued the information below as a news release to the statewide press on May 19, 2004.

Total inpatient hospital admissions in Wisconsin climbed by about 2% last year to 663,000, but declined slightly among those with private health insurance coverage, according to data released May 19, 2004 by the WHA Information Center.

The data shows that patients covered by Medicare and Medicaid accounted for more than half of all Wisconsin hospital admissions in 2003. The biggest change from 2002 was in the Medicaid population, which includes those enrolled in BadgerCare, where admissions were up by nearly 9%.

The proportion of patients covered by government health care programs is likely to continue growing in the coming years, said George Quinn, Wisconsin Hospital Association senior vice president. “As Wisconsin’s population ages, we expect that Medicare patients will represent an increasing proportion of inpatient admissions for the foreseeable future,” Quinn said.

The information is derived from the first data sets produced by the WHA Information Center under a new law that privatized hospital data collection. The WHA Information Center assumed the state Bureau of Health Information’s data collection responsibilities earlier this year. The fourth-quarter 2003 data sets were completed six weeks before the contractual due date. (continued on page 5)
This legislation comes at a time when the private sector, namely health care providers and employers, are working closer than ever before to develop meaningful, comparable measures of health care quality, safety and value. In the past 16 months, at least three new private sector data initiatives have been implemented, including the WHA Information Center, The Wisconsin Collaborative for Health Care Quality (www.wiqualitycollaborative.org), and WHA’s CheckPointSM (www.wicheckpoint.org) – efforts that have received bipartisan recognition from key policymakers on both sides of the aisle.

“Wisconsin is a pioneer in health care quality,” Governor Jim Doyle recently said. “From the businesses and providers who are working together to improve quality of care ... to the disease management initiatives underway at our clinics ... to the life saving technologies being developed by Wisconsin companies, we’re working hard to make sure our health care facilities and hospitals remain the envy of the nation. I applaud the Wisconsin Hospital Association’s dedication to providing valid, reliable measures of health care quality through their ‘CheckPoint’ Initiative. Their efforts will help health care facilities throughout the state better provide for their patients.”

“What is so positive about CheckPoint is that it’s the hospital industry voluntarily making good public policy happen - without waiting for government to make them do it,” Assembly Health Committee Vice Chair Rep. Curt Gielow (R-Mequon) recently said. “CheckPoint will be good for Wisconsin consumers and Wisconsin hospitals, and I applaud the effort.”

Gielow’s comments struck a chord with WHA President Steve Brenton. “We have seen more innovation and responsiveness from the private sector in the last year and a half than we have seen from state government programs in over a decade,” said WHA President Steve Brenton. “These bills are a tremendous step backward.”

One example Brenton referred to is the state’s cobwebbed Physician Office Visit Data (POVD) program, which was enacted in 1998. The program, which was meant to provide consumers with useful information about physicians, has cost over $5 million, and in six years has yet to release any publicly useable data.

“We’ve been down this road before,” said WHA’s Eric Borgerding. “Many of the organizations who supported POVD have done a 180 degree turn or simply moved on to other projects and private sector collaborations. There are a lot of new legislators who don’t remember or know about POVD and its history. We do, it wasn’t pretty. We now know from experience that when government gets involved in these data efforts, forcing this measure or that down your throat, there is no buy-in. The programs, if they produce anything, are rigid, unresponsive . . . and innovation ends.”

This sentiment is shared by other organizations as well. Earlier this year a group of health care providers, purchasers and insurers came together when WHA, the Wisconsin Manufacturers & Commerce and the Association of Wisconsin Health Plans jointly developed Healthier Choices, a comprehensive package of health care reforms. One of the most important components of the plan did not involve new legislation, in fact it called upon legislators to do just the opposite.

Encourage ongoing development of private sector initiatives for collection and public reporting of quality, safety and cost information. Allow these and future initiatives to flourish and develop free from government interference, including burdensome new data mandates that would duplicate these efforts or add little, if anything, to the developing information marketplace. – Excerpt from Healthier Choices report. To view Healthier Choices, visit the WHA website at: www.wha.org/newsCenter/pdf/2004healthierchoices1-7.pdf

“In recent years, the legislature has provided the motivation for this information revolution, and programs like CheckPoint and The Collaborative are the result,” said Brenton. “Lawmakers called upon health care providers to be more engaged with and responsive to our patients and employers – those who pay for health care . . . WE HEARD YOU. The private sector, through employer/provider partnerships, is making tremendous progress in this area and has positioned Wisconsin as the national leader in health care information.”
Wisconsin hospitals and physicians were almost put in the awkward position this week of having to speak out against legislation aimed at mandating something that they are already publicly committed to do voluntarily...measure and report patient quality and safety improvement indicators and improve the breadth and timeliness of hospital pricing information.

By way of background, Assembly Health Committee Chair Gregg Underheim (R-Oshkosh) had scheduled a public hearing Tuesday for three just unveiled bill drafts. The Underheim legislation, under penalty of law (huge fines!), would mandate, in statute, hospital reporting of new Leapfrog compliance measures, mandate hospital reporting of readmission rates and require the extensive reporting of hospital and physician charges (something already occurring on the hospital side of the equation with a commitment from the WHA Information Center to expand the available database). The most puzzling initiative requires hospitals to provide patients with a written estimate of potential hospital charges for proposed treatments. Actual charges above and beyond the “estimate” would be subject to review and disapproval by an independent review organization. If enacted, the proposals would impose unnecessary and expensive regulation on providers who have already taken the lead in a state considered a “national leader” in patient quality and safety reporting.

There’s not enough space in this week’s Valued Voice to critique the variety of reasons that make these initiatives particularly onerous. But perhaps it’s relevant to recall the state’s last foray into government-run information bureaucracies—the physician office visit data (POVD) mandate passed by the Wisconsin Legislature six years ago. Today, after spending over $5 million and hiring eight FTEs, the POVD mandate has added nothing that has fostered meaningful health care cost information or quality improvement to the public domain. In fact, we have seen little, if any, information from this highly touted program. Before embarking down this road again, as proposed in this new legislation, perhaps a public hearing should be held on POVD...or perhaps a Legislative Audit Bureau analysis could enlighten us as to how the $5 million was spent.

Here’s the silver lining in this week’s fire drill:

- Members of the legislature are every day gaining a better understanding of Wisconsin’s truly laudable, private sector health information initiatives.

- Ill-conceived legislation such as this provides a reminder of just why the private sector is a better catalyst for addressing accountability than is government.

- If the hearing is rescheduled, WHA and others will have a great opportunity to showcase the variety of private sector initiatives and employer/provider partnerships that have been rolled out over the past few months...meaningful initiatives that have occurred absent government mandate, and new state bureaucracies.

Steve Brenton  
President
Senate and Assembly Pass Legislation to Capture $53 Million More in Federal MA Funding

On May 19 the Senate and Assembly passed SB 567 by unanimous votes. Governor Jim Doyle is expected to sign the bill by June 3, the CMS deadline that must be met to garner the additional funds from the federal government. In testifying on the bill before the Joint Finance Committee, DHFS’s Mark Moody explained that the state has been working with officials at CMS over the last several months to make sure that the state tailored a proposal that met the federal government’s parameters. Moody also relayed that the state has received written assurance from the federal government that this proposal will be accepted. Wisconsin will net about $53 million in additional funds to the Medicaid program bringing down the state’s MA deficit to around $221 million. WHA registered in support of SB 567, and appreciates the bipartisan support this bill received.

Senate and Assembly Pass Health Savings Account Legislation

On May 19, the Senate and Assembly passed SB 568 authored and championed by Sen. Alberta Darling (R-River Hills) and Reps. Bonnie Ladwig (R-Racine), Becky Weber (R-Green Bay) and Steve Wieckert (R-Appleton). Health savings accounts (HSAs) are described as portable, tax-deductible savings accounts that can be set up in conjunction with a high deductible health insurance plan. The bill’s advocates described how a debit card drawing out of the HSA would be used to purchase health care services that are preventative and minor whereas the insurance policy would be utilized to pay for large expenses due to major illness. HSAs are tax deductible at the federal lever, however this bill provides instead for an income tax credit at the state level. The reason that Wisconsin legislators chose to provide a credit instead of a deduction is because the fiscal note to provide a state income tax deduction at this time is too significant. Given the state’s current fiscal situation, they believe that the state cannot afford a tax deduction for HSAs at this time.

HSAs, coupled with greater consumer access to information initiatives like WHA’s CheckPoint, the WHA Information Center, and The Collaborative (see “Underheim Wants New Data Mandates”) will result in consumers and small business having more control over managing their own health care. WHA registered in support of SB 568.

ACHE Seminar Focused on WI Forward Award and Baldrige Criteria Offered in Conjunction with 2004 Rural Health Conference

WHA, in partnership with the ACHE Regents Advisory Council of Wisconsin, is offering a seminar entitled “Getting Started with Wisconsin Forward Award and the Baldrige Criteria for Performance Excellence in Healthcare” in conjunction with this year’s Rural Health Conference at the Kalahari Resort in Wisconsin Dells.

The ACHE seminar, which has been submitted to award 3.0 Category II (non-ACHE) continuing education credit hours, will be offered from 9 am to 12 pm on Friday, June 25, which is also the closing day of the Wisconsin Rural Health Conference.

A brochure and a registration form are available in this week’s packet and on the web site at www.wha.org. You do not need to attend the full Rural Health Conference to participate in this seminar. If you do attend both the Rural Health Conference and the ACHE seminar, there is an additional cost to attend this Category II session.

For more information on the program content, contact Jennifer Frank at 608-274-1820 or email jfrank@wha.org. For registration questions, contact Sherry Rabuck at 608-274-1820 or email srabuck@wha.org.
WHA Workforce Council
WTCS Reports 67% Growth in Health Career Enrollments Since ’99
Graduates Double as Hospitals Contribute to Program Improvements

WHA’s new Workforce Council, chaired by Robert Fale, president and chief executive officer, Agnesian HealthCare, Fond du Lac met on May 19 in Madison. The Council was recently created by the WHA Board to address issues related to staffing in health care facilities. Council Chair Fale outlined the charge to the Council and helped the group lay out major tasks for 2004. WHA President Steve Brenton emphasized the important role that the Workforce Council has in furthering WHA’s workforce agenda.

Deborah Mahaffey, WTCS vice president of instruction, student services and economic development, along with Kathy Loppnow, education director, health and human services attended the meeting. They reported a 67% growth in health occupation enrollments since 1999, and the number of graduates has doubled. Progress is being made to develop a core curriculum for each of the health occupations programs. They highlighted the many contributions WHA member hospitals have made to programming, including lab space, faculty time, and financial incentives to incumbent workers.

The Council also discussed issues related to education and training of health professionals, including:
- Transfer to UW campuses and the continuing problems that students face as they seek baccalaureate degrees
- The role Wisconsin’s private colleges play in the preparation of health professionals
- The ongoing problem of faculty shortages, partially created by the transfer barriers

The Council agreed that current and baseline data is needed on the health care workforce. George Quinn, WHA senior vice president, presented the results of the Task Force on Wisconsin’s Future Physician Supply. Judy Warmuth, WHA vice president of workforce development, presented a brief report on the employee Pride Program held May 6, described the new overtime rules, reported on the California nurse-patient ratio legislation and announced the Best Practice Workshop co-sponsored with WSHHRA that will be offered this fall.

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“We were confident that the privatization initiative would result in more innovative, more timely and more efficient data collection and reporting,” said WHA President Steve Brenton. “We have delivered on that promise. In fact, we project that privatization will save about $1 million a year for health care consumers,” Brenton said.

Childbirth-related hospital stays again topped the list of inpatient diagnoses, accounting for about 21% of all hospitalizations. Orthopedic hospitalizations increased by more than 8% from 2002 to 2003. Average length of stay declined from 4.6 days in 2002 to 4.5 days in 2003, while the average charge per stay increased from $12,296 to $14,532.

WHA Information Center, LLC, a wholly owned subsidiary company of WHA, collects data from more than 180 hospitals and freestanding ambulatory surgery centers on a quarterly basis. “In the coming months we will significantly expand public access to health care data,” said Joe Kachelski, vice president, WHA Information Center. “We will make a free public Web-based query available, and in 2005 we will begin collecting all hospital outpatient data.”

The release of the 2003 discharge data comes on the heels of the implementation of WHA’s CheckPoint initiative at www.wicheckpoint.org, which allows health care consumers to access hospital-specific information about quality and patient safety.
Call for Nominations for WHA Annual Awards

Distinguished Service, Trustee and ACHE Awards Presented this Fall

Nominations are now being accepted for WHA’s annual Distinguished Service Award and Trustee Award, as well as for the ACHE Young Healthcare Executive Award. These important awards recognize those who display leadership, dedication and professionalism to their community or the association.

WHA will recognize the award winners at the 2004 Annual Convention in September. You may know someone in your region, in your hospital or on your Board of Directors who deserves such an honor. You now have an opportunity to nominate them for one of these annual awards:

- **Distinguished Service Award** is presented to a senior health care executive who has made an exemplary commitment to WHA, his/her hospital, and the communities he/she serves.
- **Trustee Award** honors a trustee of a WHA member organization who has made an exemplary commitment to his/her community and to the organization on whose board he/she serves.
- **ACHE Young Healthcare Executive Award** is presented to a member of the American College of Healthcare Executives under the age of 40 who has shown exceptional professional development. Nominations for this award should be sent to Daniel Bonk at St. Joseph’s Regional Medical Center in Milwaukee.

Administrators, trustees, senior managers, nurse leaders, volunteers and others are encouraged to review the criteria for the awards and consider nominating someone to receive one of these honors.

The deadline for submitting nominations is July 7. Details about the nomination process and criteria for nomination can be found in the annual awards brochure in this week’s packet and is available on the WHA web site at [www.wha.org/about](http://www.wha.org/about). For more information, contact Roberta Riddle or Steve Brenton at WHA, 608-274-1820 or visit [www.wha.org](http://www.wha.org).

Improving Budgeting & Financial Management Skills Focus of July 30 Seminar

The need for sound business management tools is paramount in health care today. However, many health care managers have traditionally risen from the clinical ranks with little business training. As a result, many are thrust into a chaotic environment without the necessary financial management tools.

The July 30 seminar “Health Care Budgeting & Financial Management for Non-Financial Managers” will provide health care managers without a financial background the working knowledge of planning and budgeting, financial analysis, and performance management. All department managers with any responsibility for budgeting and financial management should consider attending this important event.

The seminar will be held July 30, 2004, from 8:30 am to 4:30 pm at the Holiday Inn in Stevens Point. A brochure and a registration form are included in this week’s packet and on the web site at [www.wha.org](http://www.wha.org). Easy, on-line registration is available as well.

For registration questions, contact Sherry Rabuck at 608-274-1820 or email srabuck@wha.org.

RWHC Awards Monato Rural Essay Prize to Rachel Quinn

The 2004 RWHC Monato Rural Essay Prize has been awarded for “Recognition of Childhood Overweight and Disease Risk among American Indian Caregivers” by Rachel A. Quinn. She is a May 2004 graduate of the University of Wisconsin Medical School.

The Essay Prize, established in 1993, is open to anyone who has been a student at the University of Wisconsin within the preceding year (all campuses, programs, graduate, undergraduate, part-time, non-degree included.) The competition was established to honor the memory of Hermes Monato, Jr., a 1990 UW graduate and RWHC employee, as well as to make rural health more visible within the university community.
Leapfrog Survey Is Now Underway

In May, hospitals received a mailing from Wisconsin Healthcare Purchasers for Quality (WHPQ) encouraging participation in the most recent version of the Leapfrog Survey. WHPQ is a network of Wisconsin purchasers committed to creating and promoting widely available uniform comparative information on health care cost, quality and patient safety.

The most recent version of the Leapfrog survey contains a new standard or “leap” that is applicable to all hospitals, not just larger facilities as in the past.

“Publicly reported information has become a critical factor in how we purchase health care and how we work with our employees to be more active health care consumers. We look forward to the ongoing and complete participation by Wisconsin hospitals in the Leapfrog survey as well as the CheckPoint program,” said Cheryl DeMars, The Alliance’s director of quality. The Alliance is coordinating the Leapfrog project on behalf of WHPQ.

Since WHPQ’s most recent communication with hospitals, clarifications and additional information have become available. See below.

- **The May 14 due date for the Intent to Respond form** – May 14 was a target, but not a firm deadline; hospitals can submit this form after that date. This form is meant to give WHPQ an early indication of participation and, most importantly, to identify the primary contact within hospital organizations who will have responsibility for completing the survey. The primary contact will receive procedural updates and clarifications regarding the survey.

- **Questions about the survey** – Questions about the Leapfrog survey can be addressed through the following resources:
  - **Town Hall Conference Call** – open to all hospitals; no registration is required
    - May 28 – 12-1 pm (central)
    - Call-in #: 877-221-8724
    - Passcode: 464995
  - **Leapfrog Help Line** – hospitals can call or email the help line with questions
    - Phone: (734) 913-3030
    - Email: leapfrog.medstat@thomson.com

Position Available

Graham Hospital (Illinois) Seeks CEO

Graham Hospital located in Canton, Illinois is seeking a president and CEO. The incumbent will assume the position upon the retirement of the current president on January 1, 2006. The hospital is licensed at 124 beds with gross revenue of $70 million, annual net income of $1.6 million. The successful candidate will have a minimum of 10 years plus as either a VP, professional services, COO or CFO in a 150 bed-plus hospital or five years of experience as president in a 75-bed plus hospital. A master’s degree in health administration or business administration is mandatory. This position offers an excellent salary range ($164,000 - $246,000), a comprehensive executive benefit package, relocation and moving expenses. Interested candidates should submit resumes (in confidence) to: Graham Hospital, CEO Search, 210 West Walnut Street, Canton, IL 61520, fax 309-649-5101, or email ceoserach@grahamhospital.org. No phone calls.
Allina Hospitals & Clinics Names Farrow President at River Falls Area Hospital

Randall A. Farrow is the new president of River Falls Area Hospital. Farrow will provide overall leadership for the hospital as it continues to grow and meet the changing health care needs of the city of River Falls and surrounding communities.

“I am thrilled to have the opportunity to join River Falls Area Hospital and Allina Health System. The River Falls area is experiencing significant growth, and I am energized by the opportunities this presents,” Farrow said.

Farrow previously served as the administrator/CEO at Mille Lacs Health System, Onamia, Minnesota. Farrow was finance director for Allina’s Cambridge and Buffalo hospitals, and project manager/senior financial analyst at Allina’s corporate office before he joined Mille Lacs.

Farrow holds a bachelor’s degree in economics from Gustavus Adolphus College and a master’s degree from the University of Colorado, Boulder. He will assume his new position in mid-June.

Magazine Features Eight Nurses from All Saints Healthcare, Racine

The May 10, 2004 edition of Advance for Nurses, a regional nursing magazine, includes eight Registered Nurses from All Saints Healthcare in Racine sharing what motivates them to continue caring for patients at the bedside. Much like our PRIDE essays, they are touching stories of caring and compassion.

Hudson and Hayward Area Memorial Join Growing Wisconsin CAH List

Hudson Hospital CEO Marian Furlong and Hayward Area Memorial Hospital CEO Barbara Peickert were notified of their new status as Critical Access Hospitals, bringing the total number of CAHs in Wisconsin to 36.

WHA is aware that another 15 hospitals are in the application “pipeline,” which would bring the total to over 50 hospitals. According to WHA Senior Vice President George Quinn, “The Critical Access Hospital program is proving to be of enormous benefit to many Wisconsin hospitals and their communities. It allows hospitals to maintain current services while in many cases, add new services and make improvements that otherwise would not be possible.”