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Lucille Cutler
440 17th Street South
Wisconsin Rapids, Wi. 54494
715-424-1638

April 2, 2001

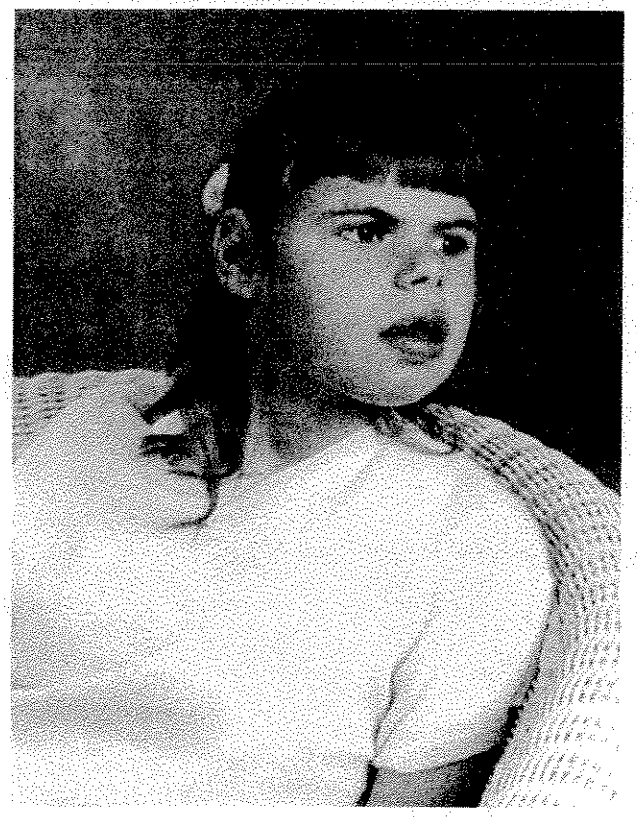
I am writing this on behalf of myself, and my son, Travis Weiler. Travis is 21 years old. He loves to play softball, basketball, go bowling, and socialize with people. He also likes to work to earn money and do something productive that he can be proud of. Travis has moderate mental retardation. He sometimes has a hard time staying on task, and it takes him longer than some other people to learn new things. He therefore needs extra training to learn new jobs. When Travis was in high school he was happy. He loved to socialize with the people at school, and was involved in job training to learn new skills. All that stopped once he graduated high school. The Division of Vocational Rehabilitation terminated him from their program due to funding problems. He was reinstated after an appeal process, but he is still unemployed because of lack of continued funding for job coaches through the county. These services are funded by Community Options (COP) and Community Integration (CIP) programs, which are grossly underfunded by the state of Wisconsin.

Now Travis is at home alone all day while I am at work. He spends his time sleeping, watching TV, playing Nintendo, and running to the video store every day for lack of something better to do. Instead of being a happy, contributing member of society, he is now a lonely, isolated young man. All the effort that was put into supporting him during his school years is being wasted. Travis is very capable of learning a job and performing well if he could find an appropriate job with appropriate supports. He, and nearly 7000 people like him in the state of Wisconsin need your help. We parents need your help as well. It is very depressing to watch your children become stagnant, when you know the potential they have. The worry about what will become of him when I can no longer provide is also a constant strain. I love my son, and want to do everything I can to help him live, work, and play to the best of his potential, but I can't do it alone. We need your help.

Please help us by adding money to the budget to end waiting lists for services for people with disabilities in the state of Wisconsin.

Thank you very much,

Lucille Cutler



Danielle Ironside
6211 North Park Road
Wisconsin Rapids, WI
54494

September 13, 1986

Favorite color: Yellow

Greatest Loves are:
- Family/Friends
- Teachers / Therapist
- Being outside
  - Biking
  - Walking
  - Swinging
- The wind
- Water
- Riding in Dads truck
- Riding the school bus
- Anything that fast!

Through the eyes of Love all things take on new meaning.

This is our child whom has shown us the true meaning of living life within its simplest forms.

Dani is unconditional love.

Nothing is more important then holding this child when she wants to be held!

Dani is happy in her life.

Dani trusts that we will always keep her safe protected for harm.

Dani will always be dependant upon the good graces of those around her. Who will care for her when we are gone?

Dani is of course the reason I am here today.

Our purpose today will be to speak about a few of the programs that wrap around our children who have physical, mental and developmental issues that impact their lives and the lives of their families.

We are here together to stress the importance of support and funding necessary to maintain services to children's and families already being served and to increase funding to serve people waiting for services.

Birth to Three is an issue that I know you have heard a lot about Through the legislative breakfast and other public hearings, I know that Senator Shibilski very supportive of B-3and I've read some general quotes from Senator Burk and Representive Gard in regards to the Eau Claire hearing about the four women who spoke about their children with Downs Syndrome and Birth to 3 education, so I'm not going into length about the impact it has on children and families. Please know that here in Central Wisconsin Birth to Three is an extremely important program and resource and we encourage you to provide funding so that families do not need to be in crisis to get help during this important period in their child's life.

My main topic is Special Education. I have had the opportunity to speak with Senator Shibilski on this topic many times and know that Senator Shibilski is supportive of the DPI request to fund the 65 million dollar increase for special education and has said he will work to ensure the adequate funding of "high-cost" pupils. I'm asking you today to join Senator Shibilski in Funding Special Education and our high – cost students.

I can share with you what I know to be true about the reality of special education. This is our best shot as parents to ensure the best possible outcome for our children. Within the education system we have the best chance to reach our children's highest learning potential. Where else can you put the student, parents, teachers, OT, PT and Speech together with access to the diverse learning environment and learning supports?

You know the buck kinda stops here – I've had the opportunity to attend IEP's with several other families in my community….

I really want all of you to go back to your district and tour the schools. Where are the Special Education Students? Find them – talk to them – what are their goals? What are their frustrations? What does their future look like? Where will they go after school?

Talk to the teachers, do they feel they understand the things that are impacting their students learning disabilities? Do they feel they have the training diversity and school support to teach to the children in their classroom in the methods that best meets the student's needs and IEP goals? Are they aware of the various Assistive Technology and modifications available? Do they feel they are able to request the things their

students need to become indepentant learners. What do they feel would help them help their students reach their goals? Another words loose the Administers and Principals and talk to students, teachers, aids and parents.

Are you aware some children will probably never be able to read because of the way their brain interpret what they see - because these child cannot read and keep up their peers their learning is delayed. Do you know there is computer technology that scans school test books – read the text while highlighting word… can have teacher instructions or directs inserted in and modify text questions. Contact your local CESA Districts - Think about the possibilities this has of opening doors to children? Think of how empowering would be…the independence that would be enabling to children, as they become adults.

Funding……Let's promote enabling and empowering our students with the technology they need to be independent and productive individuals. Let's fund special education to purchase the equipment needed to help our children!

Through Special Educations let insure moneys to help teachers and their support staff to be the best they can be. Lets return teachers to teaching positions and provide money for Therapists and Assistive Technology to work to support those teachers help our children learn.

Lucie will speak to you about what happens after school and the importance of those funding supports.

But I do want to encourage you to support the funding request for Lifespan Respite Care of $225,000.00. Respite saves sanity, families and marriages. It gives families a chance to take a step away from the day on day stress that surround our families. Think how hard it is for you to find childcare so you can get away… Think about the challenges you would face if your children were like ours. Would those same people be able to care for your children?

Funding of Family support is also something that enables families to make home modifications, wheel chair lifts in vehicles, purchase educational items for their children and provide added therapy. High cost items that impact family budgets!

Thank You!

Carmen and Nicole Steberl
3211 Franklin Street Apt. 302
Wisconsin Rapids, Wisconsin 54494
715- 423- 0969

Nicole is 9 years old and in the second grade at Washington Elementary School in Wisconsin Rapids.

Nicole has green eyes. Blondish red hair. Nicole's favorite color is pink.

Nicole's favorite things are:
- Music
- TV/videos
- Computer Games
- Playing with friends – Ashland and Katie
- Visiting with Grandma and Grandpa
- Spending time with DAD
- Going to Boys and Girls Club
- Horse back riding
- Swimming
- Taking care of 1 and 1½ year old cousins

Nicole is an outgoing independent little girl. Another words - kid/friend magnet!!!

Nicole is a mover and shaker! Nicole dreams of Boys!! Heaven help me! Someday she wants to be a veterinarian.

My concern for Nicole is that I – Nicole's mom – have Myotonic Dystrophy, and am raising Nicole by myself, as Dad could not handle my diagnosis along with a child having Cerebral Palsy. I did not have Myotonic Dystrophy when my husband and I married..... Anyway my hopes for Nicole are that all her dreams come true! I realize that Nicole will need the love and support of her community to make those dreams come true, as I may not be able to provide the opportunities necessary. Please fund Special Education and Work Housing Opportunities for Nicole.....

April 4th, 2001
Candee Wirtz
330 18th Ave. South
Wisconsin Rapids, WI, 54495
1-715-424-3035

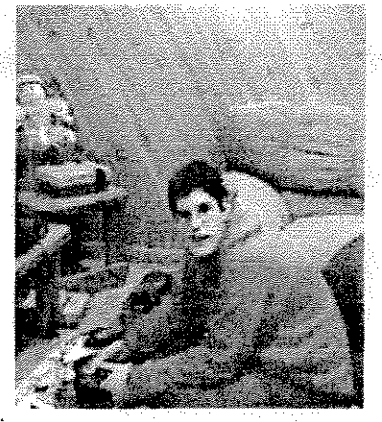
Dear Joint Finance Committee,

This is my son Tyler Wirtz, he is 14 years old and is in 8th grade. He is in a cognitive delayed classroom and is mainstreamed into some regular classes. Right now he has a job delivering advertisers on Fridays and does a good job on his own.
Some people that I know that have children with disabilities, who have graduated, are saying that there is very little funding for jobs and housing for children who have a mild disability.

Tyler will be graduating in 4 years. He has the potential to live and function on his own with some guidance and funding. These children need your help.
Please support Senator Shibilski and our children.

Thank you,

Candee Wirtz



To whom it may concern:

As the Parents of a child with a disability we see the need for all 1,000 COP slots that were proposed during the last Budget not just the 581 slots as passed by the legislature.

Senator Shibilski did a good job in proposing the 1,000 slots but this effort was not enough as there are a total of 6,558 people on waiting list as of the end of 2000.

The second problem with the present COP slot system is that they are based on a significant proportion formula, which is heavily weight toward the elderly. We need to go back and restructure the program so that all Slots are used and not returned to the state. This means that if the Elderly are served in a specific county the remaining excess slots would be used to serve other populations. The state would also make a commitment to serve all persons and increase the COP slots until all are served.

We know full well what it feels to be on this waiting list as we have been waiting for services for 10 years and there is not any light at the end of the tunnel yet. I called for a status report the other day and was informed that we are still number 19 on the list. The problems will only get worse if nothing is done. Now is the time.

James and Patricia Andreas

We James and Patricia Andreas hereby give our permission to Pam Ironside to release this testimony as necessary.

NAMI Wisconsin Legislative Committee 4/2/01

Talking Points for Testimony to the Joint Finance Committee of the Wisconsin State Legislature

This is an overview of the six areas in the Mental Health Budget Package about which our NAMI affiliates should provide testimony before the Joint Finance Committee hearings around the state. Each of the five topics will have a "one-pager" which will contain additional information about the topics. Copies of these "one-pagers should be available for "hand-outs" to the members of the committee and to print or broadcast journalists who may be covering the hearings.

MENTAL HEALTH BUDGET PACKAGE

Endorsed by: Grassroots Empowerment Project, Mental Health Association in Milwaukee County, National Alliance for the Mentally Ill of Wisconsin, Wisconsin Coalition for Advocacy, Wisconsin Family Ties

1. Medical Assistance Funding for Community Support Programs and Comprehensive Community Services

a. Community Support Programs (CSP) have been a cornerstone of the adult mental health system, providing community treatment for persons with serious mental illness and reducing inpatient utilization. Currently counties pay the "state share" (about 40%) of the cost of this benefit. This has created a ceiling for the benefit with the development of waiting lists, which are illegal under federal Medicaid law. This package requests state funding for the "state share" of the Medical Assistance CSP benefit

Cost: Current caseload: $10.7 million annually
New caseload: $400,000 in FY 02; $1.9 million in FY 03

b. Comprehensive Community Service (CCS) is a Medical Assistance benefit that was adopted by the Legislature in the last biennium, but has not yet been implemented by the Department of Health and Family Services. It provides a flexible wraparound approach for adults and children and a level of service that is between traditional outpatient care and the more intense level of service provided by CSP. It is a recovery-oriented service that furthers the goals of the Governor's Blue Ribbon Commission on Mental Health. Like CSP the counties are required to pay the "state share" of the CCS Medical Assistance benefit. This package calls for the state to pay the "state share".

2. Community Based Mental Health Services for Children and Youth with Serious Emotional Disturbance

Currently approximately 28 Wisconsin counties receive state and/or federal funding for integrated services projects for children with serious emotional disturbances. These programs have been extremely effective in reducing the need for inpatient care and juvenile justice placements. However, the rest of the counties do not have such programs, creating serious problems for children and their families. This package requests a

significant expansion of children's community based mental health services using new federal Mental Health Block Grant (MHBG) funds and GPR. Staff within the state Bureau of Community Mental Health are also needed to ensure that programs are well implemented. We are requesting 1.5 FTE staff positions, with at least .5 FTE of these positions being a parent of a child with a severe emotional disturbance.

Cost: $3.2 million over the biennium
Funding: $296,000 in new MHBG in FY 02; $496,000 in new MHBG in FY 03
Balance GPR

3. Consumer and Family Support Services

The Department of Health and Family Services has provided Mental Health Block Grant funds for consumer operated services and family support and advocacy programs for several years. These programs run drop-in centers, consumer education and employment services, and family information and peer support activities. However, the need for such programs far outstrips the amount of funding available. Also, the Department has a .6 FTE position to assist consumers and families throughout the state. However, given increasing workload this position needs to be expanded to full time. This package requests that $394,000 per year of new federal Mental Health Block Grant funds be earmarked for these purposes.

Cost: $394,000 per year of new federal Mental Health Block Grant funds

4. Mental Health/AODA Managed Care Demonstration Projects

a. Demonstration Site Planning and Development Funds: The state is in the process of implementing a managed care demonstration project for mental health and substance abuse services in four sites. The counties involved in the demonstration need additional funding for information systems and other quality improvement activities. This package requests $125,000 for each site in FY 02 and $75,000 per site in FY 03. Existing Mental Health Block Grant funds of $262,000/year, designated for systems change activities can be used for this purpose. Earmarking of new MHGB funds of $238,000 in FY 02 and $38,000 in FY 03 is also requested.

Cost: $500,000 in FY 02 ($238,000 new MHBG); $300,000 in FY 03 ($38,000 new MHBG)

b. Independent Advocacy Program: Consumers who will be enrolled in these projects will need advocacy assistance so they understand their benefits and are provided services that meet their needs and their expressed choice. We are requesting that one FTE be provided per 1000 enrollees; given that the projects are projected to have 2000 enrollees by the end of the biennium, we are requesting two FTE positions. We are fully supportive of the restoration of the Family Care Independent Advocacy Program and request that Mental Health/Substance Abuse Independent Advocacy be added to this program when it is restored.

Cost: $50,000 in FY 02; $100,000 in FY 03

5. Prescription Drug Coverage for People with Disabilities

The Governor's budget contains a prescription drug benefit for low income seniors. Persons with disabilities who are on Medicare and not also receiving Medical Assistance benefits (approximately 50,000 individuals) have a similar need for prescription drug coverage. In fact, most of these individuals are very low income and face great hardships in paying for prescription drugs. This is a major issue for persons with mental illness who must take a number of very costly medications in order to maintain their mental health and their ability to function.

6. Mental Health/Substance Abuse Health Insurance Parity

Persons with mental illness and substance abuse problems face discrimination in health insurance coverage. They receive much lower coverage for their illnesses than persons with physical illness. We are requesting that legislation be enacted ending this form of discrimination by requiring health insurance policies to provide parity in the coverage for mental and physical illness.

Saint Joseph's Hospital
MINISTRY HEALTH CARE

Sponsored by the Sisters of the Sorrowful Mother

MEMORANDUM

TO: Joint Finance Committee

FROM: Denny Thomas – Risk Manager
Sharon Kostroski – Vice President, Patient Support Services

DATE: April 3, 2001

Patient Safety is a critical issue for our health care delivery system.

As healthcare professionals, we believe providing a safe environment for patients, visitors, and employees is critical to fulfilling our desire to serve those in need.

Healthcare organizations have a long history of commitment to safety. A few examples of practices already in place in many healthcare settings include:

- ✓ Patient advocacy professionals whose function it is to immediately address patient and family concerns and focus attention on improving systems to support patient and family needs.
- ✓ Quality improvement teams which prioritize and address issues with processes and systems.
- ✓ Continuous monitoring of quality data which allows us to evaluate our current processes for potential improvement opportunities.
- ✓ Continual assessment of our environment compared to established standards, such as those established by OSHA, JCAHO and the Wisconsin Administrative Code.
- ✓ Ongoing evaluation and education through National Initiatives such as National Patient Safety Foundation, Institute of Safe Medical Practice and Leapfrog Group, to name a few.

Healthcare professions have responded both nationally and on a state level by coming together with our partners to establish "best practice" recommendations to help organizations assess themselves and focus improvement in priority areas.

Some examples of specific resources Saint Joseph's Hospital has committed to ensuring safety include:

- ✓ Investment in "Angel Watch" technology to ensure safety of infants born at St. Joseph's Hospital.
- ✓ Automated medication dispensing units to reduce the potential for human error in selecting and giving medication to patients.
- ✓ Significant investment in an electronic medical record to ensure health care providers have accurate, timely access from any location within the facility to required patient information.

We believe it is in the patient's and community's best interest and best use of legislative resources to support this kind of internally driven effort on the part of organizations whose culture and mission it is to protect and serve those who come to us in need. We feel a non-

punitive environment is necessary for open communication about safety concerns. A "safety culture" carries over all segments of our healthcare delivery system. Some of the key characteristics that contribute to a culture of safety include:

- ✓ System wide acceptance of responsibility for risk reduction,
- ✓ Open reporting and disclosure of errors and safety concerns,
- ✓ Staff involvement on patient improvement/safety initiatives, and
- ✓ Education on safe practices to the communities we serve.

We would like to urge you to support our voluntary efforts toward creating the safest possible environment for our patients and their families.

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FREDERIC P. WESBROOK, M.D.
PRESIDENT
715-387-5253

MARSHFIELD CLINIC®

REED E. HALL
EXECUTIVE DIRECTOR
715-387-5218

Statement Before the Joint Committee on Finance

By

Frederic P. Wesbrook, MD
President
Marshfield Clinic

Reed E. Hall
Executive Director
Marshfield Clinic

John Smylie
Chief Administrative Officer,
Security Health Plan of Wisconsin, Inc.

4 April 2001
Marshfield, Wisconsin

1000 NORTH OAK AVENUE MARSHFIELD, WI 54449-5777 FAX 715-387-5240

INTRODUCTION

My name is Reed Hall. I am the Executive Director of Marshfield Clinic. I am accompanied today by Dr. Frederic Wesbrook, President of Marshfield Clinic and John Smylie, Chief Administrative Officer of Security Health Plan of Wisconsin, Inc., plus other representatives of the Clinic are in the audience and are available for questions.

On behalf of the Clinic's 5,300 physicians and staff in 39 locations, welcome to Central Wisconsin and welcome to the City of Marshfield. We are fortunate to have Marshfield Clinic centers represented by three members of your Committee. We extend special greetings to Senator Kevin Shibilski and Senator Russ Decker, plus Representative Greg Huber. We feel we are well represented on this panel and we appreciate all they do on our behalf and on behalf of our patients, their constituents.

We welcome the opportunity to address you today on issues relating to the 2001-2003 State Biennial Budget. We recognize that your task is not easy given the projected revenue shortfall the state faces. The challenge -- to weigh the needs of the State against the resources available, to balance long- and short-term goals, all the while exercising the fiduciary responsibility delegated to you by the electorate -- is great. We offer our statement today to you with that challenge in mind.

In the interest of time, we will speak to only a few of the items in the proposed budget, but know that we stand ready to work with you on all the items in the budget, which affect the health and well-being of those that we serve and that you represent.

MARSHFIELD CLINIC

Marshfield Clinic (the "Clinic") is the largest private group medical practice in Wisconsin and one of the largest in the United States, with 620 physicians, 4,700 additional employees, and 39 regional centers/sites in 31 Wisconsin communities. The Clinic had 1,605,106 patient encounters for the year ended September 30, 2000, and reported 354,191 unique patients in the Clinic system during this same period.

Patients from every state in the nation plus patients from every county in Wisconsin were seen within the Clinic system last fiscal year. I would like to draw your attention to the map of the United States attached as Exhibit A, and the map of Wisconsin attached as Exhibit B. Although most of our patients come from 30 Wisconsin counties, we are very pleased that patients travel from all over the Nation and the State to visit Marshfield Clinic physicians and staff.

The mission of the Clinic is to serve patients through accessible, high quality health care, research and education. The Clinic owns and operates large outpatient clinical, educational, and research facilities, with its main clinical facilities and administrative offices located at 1000 North Oak Avenue, Marshfield, Wisconsin 54449. The Clinic's largest facilities are adjacent to St. Joseph's Hospital of Marshfield, Inc., a separate 524 – approved bed, acute care and teaching hospital, where this Hearing is being held today.

The Clinic was incorporated under Wisconsin law in 1916. It operates as a charitable corporation with all of the Clinic's assets held in a charitable trust. The Clinic was recognized as being exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue

Code in 1987. The Clinic is also exempt from Wisconsin income taxation as well as real estate taxes. We are one of the few tax-exempt organizations in Wisconsin that makes a substantial payment in lieu of taxes to the communities that we serve.

The Clinic is the sole sponsor of Security Health Plan of Wisconsin, Inc. ("SHP"), a 121,192 member HMO as of September 30, 2000. SHP is a separate nonprofit corporation which was incorporated in 1987, to provide a method of financing and accessing medical care throughout much of Central, Northern and Western Wisconsin through a comprehensive health insurance program.

The Clinic includes the Marshfield Medical Research and Education Foundation, a Division of the Clinic ("Foundation"). The Foundation was established by Clinic physicians in 1959 as a separate research institution engaged in medical research and education on national and international levels. The Foundation merged its operations, assets and liabilities into the Clinic effective October 1, 1990. The Foundation is the largest private medical research facility in Wisconsin and one of the largest in the nation. Many of the Foundation's research and educational programs are conducted by the Clinic's physicians in collaboration with the Foundation's fifteen scientists. Currently, the Foundation is involved in over 725 active research projects. Funding from 120 extramural grants and contracts approximates $14 million per year. Areas of focus within the Foundation include: clinical research, rural health, epidemiology, public and community health, genetics, and biochemistry. The Clinic/Foundation's new initiatives in personalized medicine are part of the institution's emphasis on genetics and biochemistry.

Medical education is also an important part of the Clinic's mission. The Clinic jointly sponsors graduate residency programs in internal medicine, pediatrics, general surgery, medicine/ pediatrics and a transitional program. There are currently 52 residents and 347 alumni of these programs. The Clinic system also serves as a clinical campus for the University of Wisconsin Medical School. A substantial portion of the third and fourth year U.W. medical students rotate through the Marshfield system.

Marshfield Laboratories has provided reference laboratory services since 1972, predominantly to medical facilities throughout the Midwest. Marshfield Laboratories serves over 300 hospitals and clinics, over 1800 veterinary facilities, over 300 food safety clients and more than 3500 businesses for drug testing services nationwide.

Medicaid

Let us now turn to the proposed Budget –

The Governor's budget proposes increases in Medicaid reimbursement for physician services. As we understand it, that proposed increase target is designed to give all Medicaid providers, in total, a 5% increase in each year of the biennium. From that total, all providers would receive a 2.5% increase in each year and providers who are currently reimbursed at a ratio lower than "50% billed-to-paid" would be eligible for additional increases to be determined by the Department of Health and Family Services (DHFS).

We further understand that all of these increases are contingent on Wisconsin receiving several hundred million dollars in "Intergovernmental Transfer" (IGT) funds by way of a complex process subject to approval of an amendment to the Wisconsin Medicaid Plan by the federal Health Care Financing Administration.

We appreciate this increase. Currently, approximately 12.5 percent of our patients are covered by medical assistance payments. In several communities, we are the only provider that will see Medicaid patients. Yet we are asked to see these patients with a reimbursement rate that approximates 43 percent of our standard fee schedule.

While we are encouraged by the desire to increase funding for Medicaid, we do want to note the need to work on a long-term funding plan for this program.

BadgerCare

BadgerCare has been a success story for Wisconsin, Security Health Plan and Marshfield Clinic. We currently have 7,615 BadgerCare members enrolled through Security Health Plan. This represents approximately 10 percent of all BadgerCare members in the State.

The Administration is seeking a federal waiver to allow DHFS to extend the time period a patient could be without insurance from 3 to 6 months before BadgerCare eligibility starts, with certain exceptions. The waiver seeks also to grant permission to verify whether a family or child has or had access to employer-subsidized health care prior to enrolling the family or child in BadgerCare.

Along with other members of the medical community, Marshfield Clinic opposes a delay from 3 to 6 months for eligibility in BadgerCare.

Elimination of Due Process Rights in Medicaid Fraud and Abuse Inquiries

It is our understanding that the proposed budget calls for:

- Eliminating the right to a fair hearing when a dispute arises over a recoupment of Medicaid funds.

- Authorizing DHFS to suspend a provider's participation in Medicaid before the provider has the opportunity for a hearing.

- Authorizing the Department to limit the number of Medicaid providers if it feels it has "adequate" supply of a specialty already certified.

- Requiring surety bonds from a newly certified provider or any and all providers, depending on interpretation of the provision, if the Department determines that "other" providers of those services have violated Medicaid requirements in the past.

- Authorizing the Department to charge a fee of at least $1000 and up to two times the amount of the violation, if it determines that a provider has failed to follow similar billing procedures or program requirements.

- Permitting DHFS to have access to health care providers' personnel and other records and recipients' health care records upon demand.

- Expanding liability for repayment of erroneous or overpayments to entities that may have no responsibility for provider's past or future conduct or practices.

Marshfield Clinic opposes these provisions and encourages the Committee to remove them from the bill.

Tobacco Funding/Expenditures

The Governor also proposes "securitization" of the tobacco settlement funds whereby Wisconsin would "sell" it rights to future tobacco company settlement payments ($160 million per year) for a one-time lump sum payment ($1.3 billion) now.

The Governor proposes to use the funds by: applying $350 million for a one-time payment to fix the biennial budget short-fall; putting $570 million into an endowment; and using $337 million to pay for financing fees and debt service.

Marshfield Clinic supports legislation that assures adequate long-term funding for tobacco prevention and reduction. The Centers for Disease Control and Prevention recommended that the minimum effective level of funding in Wisconsin for these purposes should be $31 million. The proposed budget funding for the Wisconsin Tobacco Control Board is at about $21 million per year. Tobacco use is the number one cause of premature death in Wisconsin. It costs

residents nearly $1.4 billion each year in direct health care costs. It costs nearly $200 million annually in Medicaid costs alone. The endowment funds should be targeted to health issues with adequate resources set aside for tobacco education.

Prescription Drug Benefit for Seniors

The Governor's budget proposes a senior prescription drug program that limits eligibility to seniors earning 155% of the Federal Poverty Level or approximately $17,500 per year for a married couple. It would be accomplished through a demonstration waiver under the Medicaid program. Enrollees generally would be responsible for a $25 enrollment fee, $10/$20 copays and a $600 annual deductible. Some of the provisions vary with income level. Seniors earning between 155% and 185% of poverty and not eligible for other benefits under the plan, would be eligible for a pharmacy discount rate.

The budget also calls for promotion of federal discounts for prescription drug assistance plans and multistate purchasing of prescription drugs.

Due to scientific advancements, the quality and length of our lives has changed significantly. Drug therapies have become an essential part of providing quality health care. Prescription coverage has become a standard benefit of most commercial and public benefit plans.

Marshfield Clinic supports inclusion of prescription drug coverage under Medicare as a necessary part of providing quality health care.

In order to control the costs of this benefit, providers and plans should implement disease-specific management protocols for patients/beneficiaries as one method of containing overall cost pressures relative to this benefit coverage. Similarly, Marshfield Clinic encourages patients/beneficiaries to participate actively in the coordination of their care, including drug therapy compliance.

We are committed to working with policymakers to a final resolution of this issue.

MA Coverage and Eligibility for Breast and Cervical Cancer

The budget proposes to expand Medicaid eligibility to include women who were diagnosed with cancer under a federally funded program. These women will now be eligible under Medicaid for treatment if they are under 65 years of age and uninsured. Historically diagnostic tests were covered without any provision to assist with treatment expense. There are enhanced federal matching funds for this program.

Marshfield Clinic has been a service provider under the Wisconsin Well Women's Health Programs. Coverage of screening services without treatment dollars when cancer is identified creates added stress and may cause treatment delays for uninsured women. Marshfield Clinic strongly supports this provision.

Health Insurance Risk Sharing Plan (HIRSP)

The Governor's budget proposes to modify HIRSP by eliminating $1.9 million annually in current General Purpose Revenues (GPR) and replace it with new assessments paid by health insurers operating in the state, increased premiums to patients, and reduced payments to providers.

The HIRSP administrative budget is scheduled to increase 33% in FY 2002 and an additional 3% in FY 2003. Program benefit payments will increase 57% in FY 2002 and an additional 4% in FY 2003.

The combined impact of the reduction in GPR funding, and the increases in administrative and benefit costs is nearly $33 million over the biennium. This translates into an increase of more than $6.5 million in aggregate insurer assessments over that time period.

Because Marshfield Clinic cares for many HIRSP enrollees, we "incur" costs through program assessments, and we receive reduced revenue through provider discounts. HIRSP is a good program and Marshfield Clinic supports continuation of HIRSP coverage for eligible patients. We would like to stress, however, that we also provide community care for HIRSP enrollees who can not afford HIRSP's out of pocket requirements and wish this commitment to care for all those in need were recognized with greater, not lesser, budgetary support for this program.

Women's Health Expanded Funding

The budget proposes provision of $200,000 and 1.5 positions to increase staff activity with regional conferences, roundtables and updating videotapes on women's health issues and developing nutrition fact sheets. Sue Ann Thompson's Women's Health Foundation is a part of this initiative.

Marshfield Clinic has in the past and continues to support the Women's Health Foundation with cash contributions as well as participating in many of its rural outreach activities. State support for this effort represents a good investment in health by, leveraging public and private resources to further develop awareness and improve the status of women's health throughout the state.

Regulation and Licensing – Physician License Fees

The budget proposes reducing physician license fees by nearly 14 percent from $122 to $106. Marshfield Clinic supports this proposal.

State Community Health Centers Grant Program

The Governor's budget provides $6 million to the Department of Health and Family Services base funding for the State Community Health Center Grant Program.

Marshfield Clinic wholeheartedly supports this provision of the budget.

Statewide Trauma Systems Plan

WI 1997 Act 154 created a Statewide Trauma Advisory Council to prepare a final report on specific recommendations for developing and implementing the trauma care system. With that report now completed, legislative steps for development and implementation are necessary, including funding for the Program.

Marshfield Clinic supports the Council's and the Department of Health and Family Services funding request for statutory language to create an additional $1 surcharge on vehicle registration to fund the system.

Economic Development and Transportation

The Governor's budget contains a number of provisions related to economic development and transportation. In Central Wisconsin, especially in Marshfield, many people are working together to assure a sound economic future for our area.

Marshfield Clinic supports efforts of the Governor and the Department of Commerce to continue to enhance technology and community-based economic development programs. Marshfield Clinic participates in and strongly supports all efforts to assure that Highway 10 becomes a four-lane highway sooner than later. An expanded Highway 10 not only assures an improved economy, but also provides safe transportation routes for our patients, visitors, as well as physicians and staff.

Ban on Management Contracts

The budget proposes to prohibit Health Maintenance Organizations (HMOs) from delegating management functions to an outside entity "to the substantial exclusion of the HMO's board." Under current law, delegation of management functions is generally prohibited, but the Commissioner of Insurance has the authority to allow such delegation if the terms and conditions are specified in a written contract to OCI's satisfaction.

Marshfield Clinic opposes this proposal. We feel that the Office of the Commissioner of Insurance has the authority under current law to disapprove any contracts that inappropriately delegate management authority.

The ban on management contracts would make a potentially significant impact on Marshfield Clinic and Security Health Plan by restricting or eliminating SHP's ability to contract with a separate entity, such as Marshfield Clinic, in order to capture potential existing efficiencies in carrying out administrative and management functions. The budget proposal will only increase costs.

Additional concerns that Marshfield Clinic and Security Health Plan have regarding the Budget Bill include the following issues regarding Medicaid and BadgerCare:

- The Budget Bill must provide some kind of linkage to allow Medicaid reimbursement increases, such as the proposed 37-percent increase in hospital outpatient services, to

pass through to HMOs such as SHP in recognition that nearly a quarter-million Medicaid and BadgerCare recipients are covered thought the Managed Care Program.

- In the absence of a pass-though mechanism, we are concerned that the large increase in anticipated reimbursement for hospital outpatient serves may compromise the State's interest in maintaining a viable Medicaid Managed Care Program.

- The structure and the size of the proposed increase for outpatient hospital services may unintentionally create an incentive for hospitals to terminate their contracts with HMOs. Hospitals may make an economic decision to opt out of the Managed Care Program to take advantage of reimbursement rates that would greatly exceed what HMOs could pay.

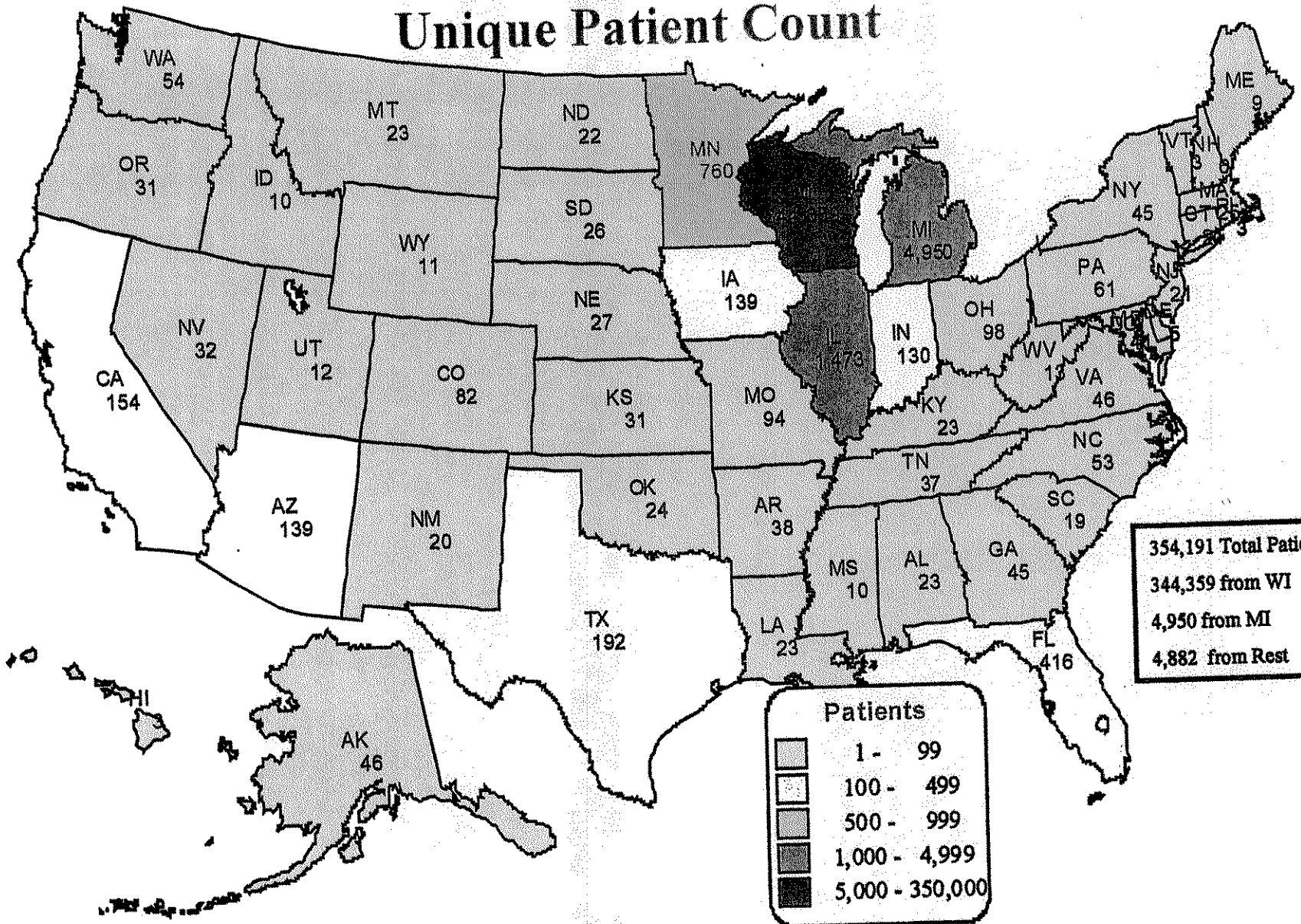
- If HMOs are unable to contract with hospitals overall State costs may rise because Medicaid and BadgerCare recipients will return to the fee-for-service system.

- HMOs save the State millions of dollars each year through the Medicaid Managed Care Program because the State requires HMOs to provide a discount from Medicaid's fee-for-service equivalent costs. The Budget should encourage this process.

CLOSING

We appreciate the opportunity to testify today. We will address any questions that you have of us. Please know you have an open invitation to return to visit with us to learn more about the Marshfield Clinic system of care.

Marshfield Clinic Patients, FY 2000
Unique Patient Count



Count of Unique Patients during the Fiscal Year.

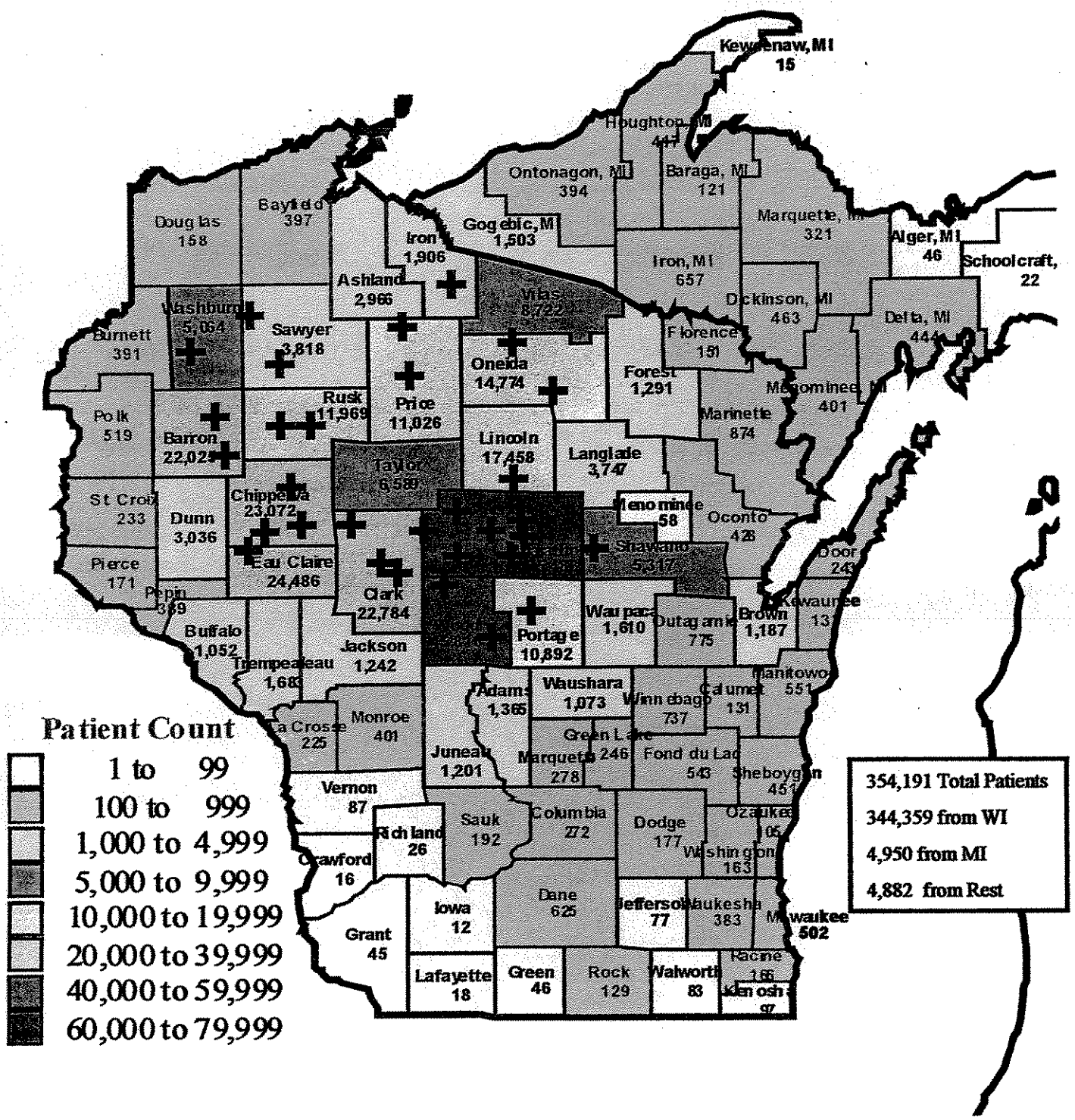
Source: based on mc034_Activity. File ran 1/30/01. Map provided by Systems & Processes.

EXHIBIT A

EXHIBIT B

Marshfield Clinic Patients, FY 2000

Unique Patient Count



*Count of Unique Patients during the Fiscal Year.

Source: based on mc034_Activity. File ran 1/30/01. Map provided by Systems & Processes.

Joint Committee on Finance
Saint Joseph's Hospital
April 4, 2001
Workforce Issues Testimony
John Botticelli, Vice President Human Resources

Workforce supply is a national and cross industry issue and is coupled with many other issues which affect employers, including healthcare employers to a significant extent. It is one of the major issues affecting healthcare delivery now and for the foreseeable future. Today there is an undersupply of critical healthcare workers. By 2020 it is estimated there will be 20% less RN's than required to meet patient care and population health needs. In addition, within our own industry the ability to staff hospital beds is becoming more difficult. Healthcare professionals and others who support care delivery continue to be drawn away from acute care settings by an increasing number of less demanding alternative employment opportunities.

At the same time, public demand for quality and safe care is increasing. An adequate staff of skilled and competent employees at all levels, especially direct care givers is needed to assure that we maintain the public's trust in our ability and capability to satisfy their requirements.

The average age of our workforce is increasing. In some parts of California the average age of an RN is near 50 years old. At Saint Joseph's in Marshfield we are more fortunate; it is 40 years. In 1980, 52.9% of RN's were under the age of 40. In 2000, that dropped to 31.7%. Young people are not selecting healthcare as a career. There are too many other more lucrative and less demanding jobs and careers to choose from. In addition, expectations are changing. Younger employees are interested in more unique work settings. It is difficult to provide direct patient care in a telecommuting, at home environment. Somehow our patients wouldn't perceive that as caring care. Therefore, in an increasingly demanding 24-hour, 7 day a week environment, where inpatients are indeed sicker than ever before, less people are choosing healthcare as a career. Between 1996 and 2000 there has been a precipitous drop in the percentage of RN's entering the workforce. In a fuller employment economy there are simply more career choices at higher pay levels in alternative settings.

This same phenomenon exists with other healthcare workers as well. The competition for service, administrative, and information systems people is keen as employers in all industries seek to fill positions from an ever-shrinking pool. The preparedness of some workers for the skills required in an information age setting is sorely lacking. Workers graduating form high school and other institutions are not as ready to perform the highly technical responsibilities demanded by many jobs today.

The point to be made is that healthcare's competition is national, perhaps even international, and certainly cross industry. Also our demographics are such that we are an industry made up predominately of females. At Saint Joseph's Hospital 85% of our staff is female. That creates a need for them to balance work and family life while contending with their passionate need to be there for their patients. At times that is a stressful tug of war each faces.

Not only are we challenged by this competitive environment, we are also challenged as are most employers, by the advancing age of our workforce and the current and anticipated undersupply of workers at all levels for available jobs.

Surely, the healthcare industry must rise to the occasion; take responsibility and accountability to deal with these complex problems. To do so, however, will require resources. We will need to invest even more dollars in novel recruitment and retention strategies to attract people to healthcare and create career paths to keep them in our organizations. Base pay levels and benefits need to be increased to be more attractive and competitive with private industry. More partnerships with educational institutions are needed with incentives to create more openings for students who choose healthcare as a career. For example, in the March 19 Green Bay Press Gazette, the Administrator of St. Vincent's Hospital encouraged the public to vote positively for a $46 m renovation referendum for Northeast Wisconsin Technical College that will enable that institution to expand its programs to train future healthcare workers. We will need to continue to provide significant monetary and non-monetary incentives/rewards to keep people.

Costly foreign recruitment has been taking place as an additional measure to meet needs.

Meeting this national, regional and local challenge will require the understanding, collaboration and cooperation of a continuum of stakeholders, government, education and healthcare leaders, all willing to address this issue with a commitment of resources and energy. The ultimate bottom line is continuing to provide quality, safe and compassionate care to the people we serve, ultimately you and I.

Thank you very much for this opportunity to address this important issue.

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Tobacco Free Coalition
of Central Wisconsin

817 Whiting Avenue
Stevens Point, WI 54481
ph 715-345-5844
fax 715-345-5966

April 4, 2001

To: Joint Finance Committee

From: Tobacco Free Coalition of Central Wisconsin

RE: Support of Long-term Funding Protection for Tobacco Control

On behalf of the Tobacco Free Coalition of Central Wisconsin, representing the Tobacco Free Coalitions of Marathon, Portage and Wood Counties, we would like to request your serious consideration of allocating tobacco Master Settlement dollars for long-term funding for tobacco prevention. The Wisconsin Tobacco Control Board has developed a comprehensive strategic plan that is research-based to reduce tobacco use within our state. Based on the success of other states in reducing the burden of tobacco, the Board has recommended that community-based coalitions work to achieve local objectives in youth prevention, smoking cessation, clean indoor air and special populations greatly affected by tobacco use. Our three coalitions have developed long-term plans for local action to reduce the social and financial burden of tobacco use among our citizens. We need adequate long-term funding so our local coalitions will have the resources available to make an impact on tobacco-related illnesses that burden our communities.

The funds from the Master Settlement Agreement give us the opportunity NOW. Selling off the tobacco settlement funds to solve a short-term budget crisis will prevent solving the long-term problem of tobacco use in our state. To be truly effective, the State of Wisconsin must move toward the minimum recommended Centers for Disease Control and Prevention level for our state of $31 million per year. That is the lowest end of the recommended funding, and it represents only 1/5 of the annual dollars coming into the state from the Master Settlement Agreement. These funds were awarded to our state because the tobacco industry admitted causing great harm to our citizens who became addicted to their products. At the time the Agreement was made, the states agreed to spend a portion of the settlement on tobacco prevention and control. If funds from the Agreement are not allocated for long-term tobacco control and prevention, the financial burdens of tobacco will still affect our communities after the Settlement money ceases.

Tobacco use is killing our citizens and harming our youth. Please support using the tobacco dollars for long-term tobacco prevention.

Sincerely,

Nancy Prince

Nancy Prince, Tobacco Free Coalition of Central Wisconsin
Judy Omernik, Tobacco Free Coalition of Marathon County
Julie Hladky, Tobacco Free Coalition of Portage County
Sandy Scola, Tobacco Free Coalition of Wood County

Testimony to the Joint Finance Committee
Marshfield, WI April 4, 2001
Support for Public Health Funding

Good afternoon. My name is Donna Rozar. I am a Wood County Board Supervisor and serve on the Board of Health. I am also the Northern Region Representation to the WI Association of Local Health Departments and Boards (WALHDAB) and am speaking on behalf of that association as well as our local health department. State Statute 251.05 requires local health departments to perform health assessments and plan activities that are consistent with the 12 essential services identified in the 2010 State Health Plan. A recent study conducted by the three WI Public Health organizations (WPHA, WALHDAB and WEHA) concluded that local health departments need adequate funding to fulfill the primary activities of public health. County public health departments are asking you to consider adding initial funding of $8 million ($2.5 million GPR dollars in the first year and $5.5 million during the second year of this biennial budget). Health departments are seeking a state partnership in the process of building healthier communities.

Governor McCallum spoke of "reducing Wisconsin's overall tax burden" and "improving the quality of life of all citizens" by "helping others reach their full potential in life, meeting our commitments and protecting the environment." He stated that the values of "showing compassion for the neediest members of our society and working cooperatively to take care of the people's business" are important. The services provided by local public health departments can play a significant role in reaching the values Governor McCallum spoke of as being important.

Long term success in the resolution of health problems is achievable if public and private sectors collaborate, assess, and plan strategies to address health problems in a cost-effective manner. Local units of government are carrying the financial burden in the delivery of public health services. They are also partnering with the private sector in this delivery. State support is needed to fund services that will assist in keeping Wisconsinites healthy. This funding also needs to allow flexibility in meeting the health care needs of the individual locales.

The Kettl Commission recommended that "strong incentives be created for governments to collaborate on behalf of their citizens" and that "state-local partnerships" play a key role in enabling Wisconsin to be a leader in this partnering. Wisconsin's State Health Plan for 2010 specifically supports assessment and planning in the provision of the 12 essential services, and indicates that public and private partnerships need to occur in every community. I am requesting that you make a commitment to the health of Wisconsin's citizens by supporting a state-local partnership with the inclusion of state funding for public health into the budget for local public health activities. Thank you.

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Saint Joseph's Hospital
MINISTRY HEALTH CARE
Sponsored by Sisters of the Sorrowful Mother

Joint Finance Committee Public Hearing
Testimony
April 4, 2001

Women's Health- Saint Joseph's Hospital, Marshfield, Wisconsin
Mary James – Women's Health Coordinator

Honorable Committee Members: My name is Mary James, and I serve as the Women's Health Coordinator and Chair of the Women's Health Initiative for Saint Joseph's Hospital, the tertiary hospital for the Ministry Health Care System. It is a privilege to have the opportunity to speak before you today in support of the expansion of Women's Health in the State of Wisconsin. The provisions in the bill supporting the hiring of a public health nutritionist and half-time program assistant will contribute greatly to the coordination and outreach needed to improve the health status of women in our state. This support for program activities, including regional conferences roundtables and updated videotapes on women's health issues, will enhance our efforts to expand women's health education locally.

611 Saint Joseph Avenue, Marshfield, Wisconsin 54449-1898 Telephone 715-387-1713

As we at Saint Joseph's Hospital meet the challenges of carrying out our Mission of "continually improving the health and well being of all people, especially the poor in the communities that we serve," we join State and National initiatives who recognize that to improve the health of women is to improve the health of the family, and our communities. As relational beings by nature, whether a healthy adolescent or a healthy grandmother, women have been known to extend their education and care to those around them, encouraging, supporting, and motivating partners, friends, fathers, brothers, husbands and of course children to develop healthy lifestyles. Simply put, women not only lead the way, drawing on their experiences, but they make the majority of the health care decisions for their families.

In Wisconsin, we promote the strengths that public and private partnerships contribute to our shared vision. We at Saint Joseph's Hospital have collaborated with the Dept. of Health and Family Services and the Wisconsin Women's Health Foundation to build our capacity to serve women and families through our support and sponsorship of Women's Health Educational Conferences in Wisconsin. Locally, Saint Joseph's Hospital Women's Health has offered monthly educational sessions featuring clinical staff and community resources to assist women in

becoming active partners in their own health and wellness. We have also implemented a Community Women's Health Coalition to bring together agencies and organizations that can assist us in channeling health education to the community. By coming together to identify barriers to access and resources, we are committed to leading the way by educating our consumers about choices and quality of care. Your support for Women's Health at the State level strengthens this partnership and provides advantage and strength for local initiatives on Women's Health.

We also support the requirement that DHFS women's health services appropriation allocate at least $20,000 annually to promote health care screening services for women that are available under the Wisconsin Well Woman Program, which provides health screening for low-income women, as well as the breast cancer-screening program.

Regarding eligibility for women diagnosed with breast or cervical cancer, we support the expansion of MA eligibility to women specified in the budget narrative who require treatment for breast or cervical cancer and who are, (a) not otherwise eligible for MA or Badger Care (b) under 65 hears of age, (c) not eligible for creditable health care coverage, as defined under federal law,

and (d) screened under an early detection program authorized under the breast and cervical cancers preventative health grant from the CDC This expansion of eligibility will address gaps in coverage for women facing this devastating news and the inherent costs related to treatment.

In addition to your support for early detection and treatment for breast and cervical cancer, we ask that in the months and years ahead that you remain constant in your support for initiatives that address other great risks to the health of women in the State of Wisconsin. Among the greatest risks are cardiovascular disease, osteoporosis, arthritis, mental health, domestic violence and smoking, a growing risk for young women.

We applaud you for your intelligent leadership in addressing the health needs of the women in Wisconsin, and we urge you to continue to support and reward projects that demonstrate partnerships between the public and private health institutions in our State. Thank you.

JOINT FINANCE COMMITTEE TESTIMONY

MARSHFIELD—APRIL 4, 2001

HARRY POKORNY

FOR THE

COALITION OF WISCONSIN AGING GROUPS

My name is Harry Pokorny and I am the Treasurer for the Coalition Of Wisconsin Aging Groups. I'm the Past-President of the Portage County Coalition of Aging Groups and I'm a member of the Portage County Long Term Care Advisory Council. I'm here to testify on behalf of the Coalition of Wisconsin Aging Groups (CWAG). The Coalition is made up of more than 600 groups, representing over 125,000 members.

The Coalition, in developing its 2001-2002 Platform, asked its members to list, in order, the five most important issues that CWAG should concentrate its resources on. The vast majority of the members said that their number one priority is prescription drug relief for low income seniors.

Why is this help needed? There are many people through out the State that truly have to decide if they are going to eat, heat their homes or apartments, or take their medications. My wife, Susan, and I lead an Arthritis Support Group at the Lincoln Senior Center in Stevens Point, and we have known people who do not take their arthritis medication until they become so bad that they can hardly move. They can't afford to take their medication on a daily basis. Some of them don't even go to a doctor unless absolutely necessary because they can't afford the Medicare co-payment. Arthritis medication costs $3.00 to $10.00 or more per day, that is, $90 to $300 per month. If a person has some other medical problems, such as high blood pressure, and/or a heart condition, the costs become astronomical.

My wife and I are lucky that my former employer has prescription coverage within the Medigap policy they offer to their retirees. I had a heart attack last November, and the cost to the insurance company went from about $400 per month to over $1000 per month, for both of us. We only pay $5.00 for generic and $10.00 for brand name prescriptions. Yet, our costs went from $75 to almost $200 per month. However, we feel very fortunate to have the coverage, but, there are far more people who do not have coverage than those that do.

The Budget submitted by the Governor has a prescription drug provision for persons age 65 and older. However, there is no State appropriation for the program. The proposed program depends on the Federal government granting a waiver ***and*** creating savings elsewhere in the Medicaid budget to provide the funds to help seniors pay the cost of prescription drugs. If either condition is not met, there would be no relief. At most, it would help about 82,000 persons.

The Senate passed a prescription drug bill that would provide the greatest relief to the elderly. I want to personally thank Senator Shibilski on behalf of the seniors in Senate District 24, for his co-sponsorship and efforts in getting SB-1 passed. It would help over 330,000 persons. We urge all of you to propose a bipartisan prescription drug program as quickly as possible, preferably with the provisions of SB-1.

The next priority that the members agreed on was the funding for Family Care. It has been a very successful program in Portage County, and in the other pilot counties. The proposed budget for Family Care cuts the funding requested by DHFS by two-thirds, from $33.5 million to $10.8 million. The major reductions include the elimination of expansion into Kenosha County; elimination of the LTC Council external advocacy, start-up funding for additional counties, and inflationary increases for resource centers; and reducing non-MA enrollment (mostly the elderly) by 50%. It is unclear at this time whether the funding proposed is adequate to even maintain the existing five pilot counties.

In addition, there is no funding to address the COP waiting lists in the 67 non-Family Care counties, but there is further expansion of estate recovery to all MA services, to real property, not just homestead property. The Governor's budget cuts the DHFS request for 1,790 Community Integration Program (CIP) slots to 806 slots, a cut of over 50%. This includes reducing the number of slots to relocate older persons when nursing home beds close (CIP II) from 1600 slots to 686 slots despite the fact that DHFS estimates that many more nursing home beds will close over the next two years.

The budget does propose an expansion of intergovernmental transfer (IGT) payments to provide a $346 million rate increase for nursing homes over the biennium.

The proposed budget totally undermines the Family Care promise of providing consumer choices and the same entitlement for home care that people now have to institutional care.

We urge you to fix the Family Care budget by providing the funds necessary to keep and to expand the program as planned. I have seen how well it has worked in Portage County. I would like to see it expanded to the rest of the State, so that those living in the 67 counties that don't have Family Care, can enjoy the many benefits this program provides.

We also ask you to increase the COP funding to reduce the waiting lists in non-Family Care counties. There are between 8,000 and 9,000 people on the waiting list for COP help. We urge you to see to it these people get the help they need and deserve.

Thank you.

April 4, 2001

To: Members of the Joint Finance Committee

From: Lennet Radke, RN, MSN, FNP
Palliative Care Nurse Consultant
St. Josephs Hospital
RADKEL@stjosephs-marshfield.org
(715) 387-7023

Re: Advocacy for Palliative and End-of-life Care

This written testimony is intended to raise awareness of and advocacy for a growing need of our citizens…the need for access to quality palliative and end-of-life care. In his Executive Budget Speech, Governor McCallum spoke to the call to improve the quality of life for all of our citizens, to support the needs of families, and to show compassion for the most needy in our state. In the vast array of competing needs for state resources, there is one service from which we can all benefit in some capacity... care for those who are seriously ill and possibly dying.

Much attention and resources are allocated to advancement of medical knowledge and technology in the fight to cure disease. While these efforts are extremely important, we cannot ignore the fact that, as a result of such endeavors, people are living longer with advanced disease and suffering unnecessarily at all points along the disease trajectory. The traditional medical model is focused on disease state management, as if a person's needs can be predicted by the diagnosis with which they are labeled. With such a narrow focus, sometimes at the cellular level, the humanistic needs of the patient are unattended, minimized and, yes, ignored. As dynamic beings, we cannot predict how a person might suffer as the result of a particular disease.

With the aim to relieve unnecessary physical, emotional, social and spiritual suffering, Palliative Care programs are being developed in medical centers across the country. Indeed, the U.S. is not a leader in this movement. We are merely trying to catch up to the care available in other countries such as Britain, Ireland, Canada, and Australia.

The basic tenets of Palliative Care are:

- Relief of physical, emotional and spiritual suffering for persons who are not necessarily dying, but struggling with the effects of advanced, potentially life threatening disease.
- Palliative Care consultation can be beneficial even at the time of diagnosis depending on the type and stage of disease.
- Palliative Care services can be employed even while a person is receiving life-prolonging therapies such as chemotherapy.
- Attention is given to the whole person (mind, body, spirit) by members of a interdisciplinary team of health care professional (MD, RN, Chaplain, Social Worker)

- Common issues addressed by Palliative Care include symptom management (pain, nausea, bowel obstruction), decision making, family communications and coping strategies
- Family well-being is a primary concern as it directly affects patient well-being.

Much media attention has been given to requests for physician-assisted suicide. Our belief is that this issue would be greatly reduced, and perhaps vanish, if persons with advanced, progressive disease had access to high quality palliative and end-of-life care. First, however, we must fight to tear down the barriers that prevent access to palliative care:

- Physician ignorance
- Lack of public awareness of Palliative Care
- Societal taboo of death and dying
- Lack of financial support/ coverage of such services

To combat these issues we must begin talking about death and dying and the needs of those with advanced, progressive disease. That was the mission of Bill and Judith Moyers when they created a community outreach campaign and a 4-part television series on P.B.S entitled Moyers on Dying: Our American Culture. We must also find suitable care for persons with advanced disease. Families are struggling to find adequate care for their dying loved ones. Unable to care for them at home, many families are faced with the prospect of terminal transfer to a nursing home, but unable to pay for Hospice services. We must find a better way.

My request of you is simple. Please, be sensitive to the extent of unnecessary suffering. Be an advocate for those you represent and for your own families. Make public the issues of death and dying. Begin conversations with your constituency. Ensure that your communities have access to excellent palliative care.

We share a common goal.... to improve the quality of life for all citizens, to support families, and to show compassion to the most needy among us. Ministry Health Care is committed to ensuring that citizens in our state have access to the excellent Palliative Care. We ask you to join us in this mission.

Thank you for your attention and effort. I welcome any questions or concerns. Please contact me if I can be of service.

Saint Joseph's Hospital
MINISTRY HEALTH CARE
Sponsored by Sisters of the Sorrowful Mother

Wednesday, April 4, 2001

Good morning. My name is John Skaden, I am the vice-president of financial services here at Saint Joseph's Hospital in Marshfield. I have been in healthcare financial management here at Saint Joseph's for over twenty years and in healthcare finance for over twenty-seven years.

I would like to thank all of you for coming to Marshfield. I would like to thank all of you for coming to Saint Joseph's Hospital. I am sure that for many of you this is a "first". I would also like to thank Representative Mary Ann Lippert for assisting in the coordination of the public hearings today, for her background, her knowledge, and her commitment to health and health education. I would like to thank Representative Greg Huber for his interest and devotion to health issues. And I would like to extend a special thank you to Senator Kevin Shibilski for his continued study, support, and understanding of healthcare issues. This is all very much appreciated. I would also be remiss in not saying thank you to all of you on the State Budget Committee for your time, your service and your commitment to making the State of Wisconsin a better state. Your challenge is not an easy task.

Before I begin my presentation of issue and topic, I would like to make one thing very clear. I am not here today begging or asking for more money to be added to the State budget, but rather a re-prioritization of budgeted money. As I mentioned before, I have been involved in healthcare finance for over twenty-seven years. I am a fiscal conservative. I believe that you and I face the same challenges when it comes to budgeting. Your budget has a few more zeros than mine, but your challenge is the same as mine. As career professionals, a part of our job is to prioritize and allocate scarce, finite, and limited financial resources in a way that is most beneficial to the organization and population we serve. That is what a budget does.

I have three issues I would like to present to you today. They all deal with this issue of healthcare finance, specifically State reimbursement for Medicaid (Title 19) and BadgerCare. Specifically I would like to present facts and issues around the payment for Title 19 services and propose recommendations for resolution and a request that my organization be recognized for what it is and what is does, not where it is located.

By your own records, Saint Joseph's Hospital of Marshfield is paid only 25% or our cost, of our cost, not our charges, for the provision of outpatient services. My hospital is the third from the bottom in terms of percentage of cost reimbursement for outpatient

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services in this state – only exceeded by West Allis Memorial Hospital in West Allis (23% of cost) and Lakeland Medical Center in Elkhorn (21% of cost). The variation in payment to cost reimbursement is between 100% of cost in some hospitals to 21% at Elkhorn and 25% at Saint Joseph's and of course everything in between. Most hospitals are paid between 45% and 55% of their cost. From a business perspective, I cannot afford to provide outpatient services to your constituents when I am only paid 25% of my COST. For the State plan year ending June 30, 1999, my hospital was paid $286,000 for outpatient services that cost me $1,153,000 to provide. About 10-12 years ago the Dept. of Health and Family Services, through your budget process, started paying hospitals a prospective fixed amount per encounter basis. Back then, Saint Joseph's Hospital was paid about $111 per outpatient encounter; i.e. per Emergency Room visit, per Physical Therapy visit, per Outpatient Surgical procedure. It didn't make any difference in the medical necessity of the outpatient encounter, the payment is still $111. This $111 payment was to be representative of my cost, not exactly my cost, only representative of my cost. Each year, as a part of the budget, the hospital outpatient rate was increased a nominal amount. For many years the amount of increase was zero. Today, 10 years later, after I have exhausted all administrative adjustments and legal appeals, I am paid $125 per outpatient encounter.

As the healthcare delivery system of care has changed over the last 10-12 years, the reimbursement for the Dept of Health and Family services has not kept pace with the cost of the health delivery system, due mostly to budgetary constraints. Ten years ago it was common practice to provide outpatient physical therapy, see patients in the emergency department, perform minor outpatient surgical procedures, or do radiation oncology on an outpatient basis. Today, at Saint Joseph's Hospital, we treat patients differently. Anything and everything that can be done on an outpatient basis, without an overnight stay in the hospital, is being done. Today we provide outpatient heart catheterizations which cost me $2,500 per procedure – you pay me $125. We fix broken arms on an outpatient basis for which you reimburse me 13% of my cost. We provide chronic pain management services, for which you reimburse me 13% of my cost. We provide dental services to your constituents at 5% of my cost. We due diagnostic nuclear medicine test for you at 8% of my cost. None of these services were performed as outpatient services 10 years ago when my $111 rate was established. Heath care has changed!!!! What is even more disturbing to me is the fact that at Saint Joseph's Hospital, today we have what is known as a gamma knife. This is not a "knife" but rather a very precise radiation treatment machine, one of only 60 in this county. The gamma knife is used to eradicate deep brain tumors. In the absence of this technology a patient can be diagnosed with a deep brain tumor which must grow to a size, over a period of time, often years, to a point where it can be surgically removed, at a cost of 10 days of hospital inpatient stay and six months of rehabilitation (probably $150,000). At Saint Joseph's, we have the ability to eradicate the tumor, on an outpatient basis, for $32,000 – and you pay me $125!!!!!

I would request, as a part of your budget deliberation, process and recommendation, you allocate funds to more adequately cover outpatient services provided in this State and require the Dept. of Health and Family services to "re-base" and equalize, on an equitable

basis, all outpatient reimbursement rates to better recognize the cost of hospital outpatient services.

My second issue, and I do not want to take a lot of time on this issue, is inpatient reimbursement rates. In the current budget year, July 1, 2000 through June 30, 2001, you were lead to believe that hospital rates would increase at 0%. Due to administrative issues and/or constraints, Saint Joseph's Hospital was paid, between July 1st and February 28th, the same amount as we were paid last fiscal year. In March, you "took back" all the payments you paid to me and then "re-paid" me, under the new reimbursement methodology, the current year amounts for every patient discharged from Saint Josephs' Hospital. The detail of this analysis is included as attachment #1 in the handout I have provided to each of you. You can see from the attached analysis that the "base rate" paid to Saint Josephs' Hospital actually increased by over 7% but the relative value weight of each DRG (patient disease or procedure) actually decreased. Because these are actual claims paid and then "taken back and re-paid", we can definitively conclude that we will actually be paid 2.6% less ($370,000) than what you probably believe to be approved in your last budget.

Lastly, as you allocate funds through your budget process and recommendation, I request that you recognize Saint Joseph's Hospital for the hospital that it is, not just our location. We are viewed as only a "rural hospital" and therefore not entitled to reimbursement at levels equal to our peers or our competition. In fact, we are denied certain budget allocations because of who we are and what we are, our size, and for the services we provide.

In conclusion, I am not asking you today for a bigger "pot" of money in the State budget. As I mentioned previously, I am a fiscal conservative. We all need to be prudent and diligent in our budget process. I only ask, that in you deliberations, you realize and recognized, the most efficacious allocation of funding that provides this State the best return on a budgetary investment.

Attachment 1

SAINT JOSEPH'S HOSPITAL OF MARSHFIELD

MEDICAID PAYMENT ANALYSIS

Medicaid Inpatients Discharged between 7/01/00 and 2/28/01

DRG	DRG Description	Column 1 Number of cases	Column 2 Weight Program Yr 07/01/99	Column 3 Reimbursement Program Yr 07/01/99	Column 4 Weight Program Yr 07/01/00	Column 5 Reimbursement Program Yr 07/01/00	Column 6 Increase in Base Rate
	Base reimbursement rate			**$3,779**		**$4,047**	**7.09%**
678	Newborns weighing 2,500 grams or greater w/no OR, no dx problems	112	0.191	$80,840	0.162	$73,429	
373	Vaginal delivery w/o complicating diagnoses	81	0.4541	$139,000	0.4068	$133,352	
184	Esophagitis, gastroent & misc digest digest age 0-17	33	0.4711	$58,749	0.5251	$70,128	
371	Cesarean section w/o cc	33	0.9502	$118,497	0.8224	$109,832	
854	Over 17 -- Psychoses . . . . . NotMilw Exempt	24	1.1067	$100,373	0.9369	$90,999	
25	Seizure and headache age >17 w/o cc	22	0.614	$51,047	0.5478	$48,773	
677	Newborn weighing less than 2,500 grams, no/OR w/major dx problems	21	0.2813	$22,324	0.2393	$20,337	
26	Seizure and headache age 0-17	19	0.5812	$41,731	0.6309	$48,512	
298	Nutritional & misc metabolic disorders age 0-17	19	0.5634	$40,453	0.583	$44,829	
98	Bronchitis & asthma age 0-17	18	0.4633	$31,515	0.4394	$32,009	
676	Newborn weighing 2,500 grams or greater, no OR w/major dx problems	17	1.151	$73,944	0.9208	$63,350	
116	Oth perm cardiac pacemaker implant or PTCA with coronary art stent	15	2.6782	$151,814	2.1675	$131,578	
370	Cesarean section w/cc	14	1.2298	$65,064	1.0686	$60,545	
435	Alc/drug abuse or depend, detox or oth sympt treat w/o cc	14	0.5211	$27,569	0.4847	$27,462	
359	Uterine & adnexa proc for non-malignanc w/o cc	13	0.9758	$47,938	0.8188	$43,078	
437	Alc/drug dependence, combined rehab & detox therapy	13	1.0636	$52,251	1.0313	$54,258	
1	Craniotomy age >17 except for trauma	12	3.7066	$168,087	3.4218	$166,176	
372	Vaginal delivery w/complicating diagnoses	12	0.6402	$29,032	0.5642	$27,400	
70	Otitis Media & uri age 0-17	11	0.5082	$21,125	0.5231	$23,287	
383	Other antepartum diagnoses w/medical complications	11	0.56	$23,279	0.4913	$21,871	
410	Chemotherapy	11	0.8251	$34,299	0.8181	$36,419	
422	Viral illness & fever of unknown origin	11	0.4953	$20,589	0.4634	$20,629	
462	Rehabilitation	11	3.4297	$142,569	3.1097	$138,435	
7	Periph & cranial nerve & other nerv syst proc w/cc	10	2.8016	$105,872	2.2413	$90,705	
8	Periph & cranial nerve & other nerv syst proc w/o cc	10	1.1194	$42,302	1.5633	$63,267	
127	Heart failure & shock	10	1.1642	$43,995	1.0087	$40,822	

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	Base reimbursement rate			**$3,779**		**$4,047**	**7.09%**
243	Medical back problems	10	0.7923	$29,941	0.7148	$28,928	
379	Threatened abortion	9	0.5237	$17,812	0.4909	$17,880	
500	Back & neck procs except spinal fusion w/o cc	9	1.0265	$34,912	0.8245	$30,031	
125	Circulatory disorders except AMI, w/Cardiac cath w/o complic diagnosis	8	1.2448	$37,633	1.122	$36,326	
182	Esophagitis, gastroent & misc digest digest age >17 w/cc	8	0.8113	$24,527	0.7338	$23,758	
296	Nutritional & misc metabolic disorders age >17 w/cc	8	0.9991	$30,205	0.88	$28,491	
434	Alc/drug abuse or depend, detox or oth sympt treat w/cc	8	0.7029	$21,250	0.617	$19,976	
492	Chemotherapy w/acute leukemia	8	0.9287	$28,076	1.2495	$40,454	
639	Less than 1500 grams - no O.R. performed	8	8.1127	$245,263	7.9993	$258,985	
649	Less than 2000 grams - no O.R. performed	8	6.126	$185,201	2.8972	$93,800	
657	Less than 2500 grams - no O.R.- minor dx prob	8	0.5393	$16,304	0.5382	$17,425	
3	Craniotomy age 0-17	7	3.0569	$80,864	2.5137	$71,211	
91	Simple pneumonia & pleurisy age 0-17	7	0.6511	$17,224	0.6209	$17,589	
423	Other infectious & parasitic diseases diagnoses	7	1.279	$33,833	1.3526	$38,318	
4	Spinal procedures	6	3.1642	$71,745	3.0814	$74,823	
88	Chronic obstructive pulmonary disease	6	0.9534	$21,617	0.8151	$19,792	
89	Simple pneumonia & pleurisy age >17 w/cc	6	1.1389	$25,823	0.9883	$23,998	
143	Chest pain	6	0.6324	$14,339	0.5535	$13,440	
156	Stomach, esophageal & duodenal proc age 0-17	6	1.864	$42,264	1.5069	$36,591	
167	Appendectomy w/o complicated principal diag w/o cc	6	0.7958	$18,044	0.7112	$17,269	
212	Hip & femur procedures except major joint age 0-17	6	1.2278	$27,839	1.2096	$29,372	
227	Soft tissue procedures w/o cc	6	0.7958	$18,044	0.6739	$16,364	
468	Extensive O.R. procedure unrelated to principal diagnosis	6	2.744	$62,217	3.0142	$73,191	
498	Spinal Fusion w/o cc	6	1.8016	$40,849	1.4582	$35,408	
14	Specific cerebrovascular disorders except tia	5	2.2588	$42,680	1.918	$38,811	
124	Circulatory disorders except AMI, w/card cath & complex diag	5	1.958	$36,996	1.5745	$31,860	
144	Other circulatory system diagnoses w/cc	5	1.3397	$25,314	1.2601	$25,498	
174	G.I. hemorrhage w/cc	5	1.1096	$20,966	1.027	$20,781	
204	Disorders of pancreas except malignancy	5	1.159	$21,899	1.0146	$20,530	
209	Major joint & limb reattachment procedures	5	2.5663	$48,490	2.053	$41,542	
256	Other musculoskeletal system & connective tissue	5	0.8717	$16,471	0.7863	$15,911	

DRG	DRG Description	Column 1 Number of cases	Column 2 Weight Program Yr 07/01/99	Column 3 Reimbursement Program Yr 07/01/99	Column 4 Weight Program Yr 07/01/00	Column 5 Reimbursement Program Yr 07/01/00	Column 6 Increase in Base Rate
	Base reimbursement rate			**$3,779**		**$4,047**	**7.09%**
295	Diabetes age 0-35	5	0.6782	$12,815	0.5946	$12,032	
320	Kidney & urinary tract infections age >17 w/cc	5	0.851	$16,080	0.7706	$15,593	
396	Red blood cell disorders age 0-17	5	0.9025	$17,053	0.8311	$16,817	
418	Postoperative & post-traumatic infections	5	0.9074	$17,145	0.8869	$17,946	
451	Poisoning & toxic effects of drugs age 0-17	5	0.4872	$9,206	0.5151	$10,423	
499	Back & neck procs except spinal fusion w/ cc	5	1.6773	$31,693	1.3418	$27,151	
614	Less than 750 grams - discharged alive	5	20.4881	$387,123	19.6867	$398,360	
844	Over 17 -- Adjust. Reaction or Dysf. . . NotMilw Exempt	5	0.9001	$17,007	0.6943	$14,049	
24	Seizure and headache age >17 w/cc	4	0.9244	$13,973	0.7895	$12,780	
74	Other ear, nose, mouth & throat diagnosis age 0-17	4	0.8269	$12,499	0.7603	$12,308	
100	Respiratory signs & symptoms w/o cc	4	0.6276	$9,487	0.5021	$8,128	
137	Cardiac congenital & valvular disorders age 0-17	4	2.4127	$36,470	2.5265	$40,899	
148	Major small & large bowel procedures w/cc	4	3.9218	$59,282	3.5034	$56,713	
183	Esophagitis, gastroent & misc digest digest age >17 w/o cc	4	0.6071	$9,177	0.5302	$8,583	
188	Other digestive system diagnoses age >17 w/cc	4	1.111	$16,794	0.9918	$16,055	
220	Lower extrem/humer proc except hip, foot age 0-17	4	0.9364	$14,155	0.88	$14,245	
493	Laparoscopic cholecystectomy w/cc	4	1.5352	$23,206	1.4177	$22,950	
511	Nonextensive burns without CC or significant trauma	4	0.6163	$9,316	0.9029	$14,616	
656	Less than 2500 grams - no O.R.- major dx prob	4	1.9488	$29,458	1.7658	$28,585	
846	Over 17 -- Depressive Neurosis . . . . . NotMilw Exempt	4	0.6939	$10,489	0.5738	$9,289	
848	Over 17 -- Nondepresive Neurosis . . . . NotMilw Exempt	4	0.6684	$10,104	0.6561	$10,621	
9	Spinal disorders and injuries	3	2.2482	$25,488	1.8912	$22,961	
18	Cranial and peripheral nerve disorders w/cc	3	1.0443	$11,839	0.8917	$10,826	
35	Other disorders of nervous system w/o cc	3	0.8686	$9,847	0.7836	$9,514	
62	Myringotomy w/tube insertion age 0-17	3	1.2698	$14,396	1.0158	$12,333	
97	Bronchitis & asthma age >17 w/o cc	3	0.5381	$6,100	0.4737	$5,751	
102	Other respiratory system diagnoses w/o cc	3	0.5096	$5,777	0.5039	$6,118	
107	Coronary bypass with cardiac catheter	3	6.3969	$72,522	5.2505	$63,746	
110	Major reconstructive vascular proc w/cc	3	4.897	$55,517	4.9794	$60,455	
112	Purcutaneous cardiovascular procedures	3	1.9692	$22,325	1.6175	$19,638	
130	Peripheral vascular disorders w/cc	3	1.1795	$13,372	0.9995	$12,135	
139	Cardiac arrhythmia & conduction disorder w/o cc	3	0.5853	$6,636	0.5215	$6,332	

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	Base reimbursement rate			**$3,779**		**$4,047**	**7.09%**
181	G.I. obstruction w/o cc	3	0.6572	$7,451	0.5258	$6,384	
190	Other digestive system diagnoses age 0-17	3	0.8113	$9,198	0.8709	$10,574	
223	Major shoulder/elbow proc or other upper extremity proc w/cc	3	0.9163	$10,388	0.7904	$9,596	
224	Shoulder, elbow or forearm proc, exc major joint proc w/o cc	3	0.824	$9,342	0.7223	$8,769	
234	Other musculoskelet sys & conn tiss O.R. w/o cc	3	1.3445	$15,243	1.1501	$13,963	
297	Nutritional & misc metabolic disorders age >17 w/o cc	3	0.6247	$7,082	0.537	$6,520	
322	Kidney & urinary tract infections age 0-17	3	0.5496	$6,231	0.5222	$6,340	
358	Uterine & adnexa proc for non-malignanc w/cc	3	1.222	$13,854	1.0932	$13,273	
363	D&C, conization & radio-implant, for malignancy	3	0.0655	$743	1.1876	$14,419	
482	Tracheostomy for face, mouth & neck diagnoses	3	4.6917	$53,190	4.2598	$51,718	
624	Less than 1000 grams - discharged alive	3	16.7547	$189,948	15.0941	$183,257	
52	Cleft lip & palate repair	2	0.7144	$5,399	0.6321	$5,116	
63	Other ear, nose, mouth & throat O.R. procedures	2	1.3641	$10,310	1.3135	$10,631	
71	Laryngotracheitis	2	0.3112	$2,352	0.2918	$2,362	
75	Major chest procedures	2	3.3054	$24,982	3.5151	$28,451	
82	Respiratory neoplasms	2	1.4757	$11,153	1.3037	$10,552	
96	Bronchitis & asthma age >17 w/cc	2	0.7938	$6,000	0.652	$5,277	
105	Cardiac valve & other major cardiothoracic proc w/o cardiac catheter	2	6.6508	$50,267	6.4006	$51,806	
108	Other cardiothoracic procedures	2	6.6077	$49,941	6.4963	$52,581	
129	Cardiac arrest, unexplained	2	1.6802	$12,699	1.3442	$10,880	
131	Peripheral vascular disorders w/o cc	2	0.8697	$6,573	0.7557	$6,117	
142	Syncope & collapse w/o cc	2	0.5922	$4,476	0.4819	$3,900	
149	Major small & large bowel procedures w/o cc	2	1.9249	$14,548	1.5399	$12,464	
160	Hernia procedures exc inguinal & fem age >17 w/o cc	2	0.8062	$6,093	0.691	$5,593	
163	Hernia procedures age 0-17	2	1.0204	$7,712	1.0898	$8,821	
179	Inflammatory bowel disease	2	1.0086	$7,623	0.8069	$6,531	
197	Total cholecystectomy w/o CDE w/cc	2	2.474	$18,698	2	$16,188	
216	Biopsies of musculoskeletal system & conn tissue	2	2.5145	$19,005	2.1136	$17,107	
219	Lower extrem/humer proc except hip, foot age >17 w/o cc	2	1.0952	$8,278	0.9529	$7,713	
230	Local excision & removal of int fix dev hip & femur	2	0.8729	$6,597	0.6983	$5,652	
231	Local excision & removal of int fix dev exc hip & femur	2	1.1248	$8,501	1.0891	$8,815	
240	Connective tissue disorders w/cc	2	1.457	$11,012	1.638	$13,258	

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	Base reimbursement rate			**$3,779**		**$4,047**	**7.09%**
241	Connective tissue disorders w/o cc	2	0.799	$6,039	0.6392	$5,174	
245	Bone diseases & specific arthropathies w/o cc	2	0.6969	$5,267	0.5766	$4,667	
252	Fx, sprn, strn & disl of forearm, hand, age 0-17	2	0.5398	$4,080	0.4318	$3,495	
277	Cellulitis age >17 w/cc	2	1.029	$7,777	0.904	$7,317	
281	Trauma to the skin, subcut tiss/breast age >17 w/o cc	2	0.0835	$631	0.3999	$3,237	
294	Diabetes age >35	2	0.9091	$6,871	0.7813	$6,324	
304	Kidney,ureter & major bladder proc nonneo w/cc	2	2.0175	$15,248	2.1641	$17,516	
305	Kidney,ureter & major bladder proc nonneo w/o cc	2	1.1887	$8,984	1.0343	$8,372	
316	Renal failure	2	1.3676	$10,336	1.2006	$9,718	
321	Kidney & urinary tract infections age >17 w/o cc	2	0.6319	$4,776	0.5192	$4,202	
331	Other kidney & urinary tract diagnoses age >17 w/cc	2	1.0403	$7,863	0.9596	$7,767	
353	Pelvic evisceration, radical hysterectomy	2	2.0883	$15,783	1.8359	$14,860	
355	Uterine,adnexa proc for non-ovarian/adn w/o cc	2	1.0564	$7,984	0.8451	$6,840	
374	Vaginal delivery w/sterilization &/or D&C	2	0.78	$5,895	0.7107	$5,752	
397	Coagulation disorders	2	1.1539	$8,721	1.1051	$8,945	
398	Reticuloendothelial & immunity disorder w/cc	2	1.3471	$10,181	1.306	$10,571	
403	Lymphoma & non-acute leukemia w/cc	2	2.0449	$15,455	2.0459	$16,560	
443	Other O.R. procedures for injuries w/o cc	2	1.2194	$9,216	0.9934	$8,041	
455	Other injury, poisoning & toxic effect w/o cc	2	0.5686	$4,297	0.6293	$5,094	
467	Other factors influencing health status	2	0.7098	$5,365	0.5678	$4,596	
473	Acute leukemia w/o major O.R. procedure age >17	2	5.168	$39,060	6.5409	$52,942	
477	Non-extensive O.R. procedure unrelated to prin diagnosis	2	1.6966	$12,823	1.7075	$13,821	
483	Tracheostomy except for face, mouth & neck diagnoses	2	15.7216	$118,824	13.8094	$111,773	
496	Combined Anterioir/Posterior Spinal Fusion	2	4.1199	$31,138	3.9609	$32,060	
497	Spinal Fusion w/cc	2	3.5758	$27,026	3.0523	$24,705	
601	Died w/in one day, same hosp	2	0.2194	$1,658	0.2082	$1,685	
604	Transferred w/in 4 days	2	0.2885	$2,180	0.2527	$2,045	
620	Newborn weighing less than 1,000 grams-died	2	9.6638	$73,039	7.731	$62,575	
637	Newborn weighing less than 1,500 grams-died	2	5.4702	$41,344	5.396	$43,675	
2	Craniotomy for trauma age >17	1	5.5953	$21,145	6.1271	$24,796	
10	Nervous system neoplasms w/cc	1	1.4438	$5,456	1.4038	$5,681	
12	Degenerative nervous system disorders	1	1.3802	$5,216	1.1042	$4,469	

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	Base reimbursement rate			**$3,779**		**$4,047**	**7.09%**
15	Transient ischemic attack and precerebral occlusions	1	0.8944	$3,380	0.7516	$3,042	
16	Nonspecific cerebrovascular disorders w/cc	1	1.8942	$7,158	2.0219	$8,183	
27	Traumatic stupor and coma, coma >1 hr	1	2.524	$9,538	2.0192	$8,172	
29	Traumatic stupor and coma, coma <1 hr age >17 w/o cc	1	1.1107	$4,197	0.8886	$3,596	
31	Concussion age >17 w/cc	1	1.0492	$3,965	1.0377	$4,200	
33	Concussion age 0-17	1	0.3213	$1,214	0.2987	$1,209	
42	Intraocular procedures except retina, iris & lens	1	0.5887	$2,225	0.5738	$2,322	
43	Hyphema	1	0.8372	$3,164	0.9833	$3,979	
44	Acute major eye infections	1	0.5649	$2,135	0.7365	$2,981	
55	Miscellaneous ear, nose, mouth & throat procs.	1	1.3592	$5,136	1.4934	$6,044	
56	Rhinoplasty	1	0.696	$2,630	0.5568	$2,253	
68	Otitis media & uri age >17 w/cc	1	0.6324	$2,390	0.5814	$2,353	
78	Pulmonary embolism	1	1.7239	$6,515	1.4132	$5,719	
79	Respiratory infections/inflammations age >17 w/cc	1	1.8392	$6,950	1.5839	$6,410	
83	Major chest trauma w/cc	1	1.1777	$4,451	1.2361	$5,002	
84	Major chest trauma w/o cc	1	0.841	$3,178	0.8314	$3,365	
87	Pulmonary edema & respiratory failure	1	1.828	$6,908	1.5107	$6,114	
90	Simple pneumonia & pleurisy age >17 w/o cc	1	0.7682	$2,903	0.71	$2,873	
99	Respiratory signs & symptoms w/cc	1	0.797	$3,012	0.7347	$2,973	
101	Other respiratory system diagnoses w/cc	1	1.0572	$3,995	0.9027	$3,653	
104	Cardiac valve & other major cardiothoracic proc w/cardiac catheter	1	8.0293	$30,343	6.9424	$28,096	
109	Coronary bypass w/o cardiac catheter	1	4.4978	$16,997	3.5982	$14,562	
111	Major reconstructive vascular proc w/o cc	1	2.1082	$7,967	1.917	$7,758	
114	Upper limb & toe amputation for circ system disorders	1	1.65	$6,235	1.7562	$7,107	
121	Circulatory disorders w/AMI w/C.V. comp disch alive	1	1.9275	$7,284	1.649	$6,674	
122	Circulatory disorders w/AMI w/o C.V. comp disch alive	1	1.4682	$5,548	1.2089	$4,892	
126	Acute & subacute endocarditis	1	2.4426	$9,231	2.5923	$10,491	
132	Atherosclerosis w/cc	1	0.9408	$3,555	0.7526	$3,046	
133	Atherosclerosis w/o cc	1	0.7176	$2,712	0.5741	$2,323	
138	Cardiac arrhythmia & conduction disorder w/cc	1	0.9689	$3,661	0.8357	$3,382	
145	Other circulatory system diagnoses w/o cc	1	0.8504	$3,214	0.7276	$2,945	
157	Anal & stomal procedures w/cc	1	1.2816	$4,843	1.17	$4,735	

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	Base reimbursement rate			**$3,779**		**$4,047**	**7.09%**
165	Appendectomy w/complicated principal diag w/o cc	1	1.3773	$5,205	1.1609	$4,698	
171	Other digestive system O.R. procedures w/o cc	1	0.9934	$3,754	1.0722	$4,339	
175	G.I. hemorrhage w/o cc	1	0.5902	$2,230	0.5347	$2,164	
180	G.I. obstruction w/cc	1	1.0564	$3,992	0.8542	$3,457	
186	Dental & oral dis except extractions & rest. age 0-17	1	0.4953	$1,872	0.5446	$2,204	
187	Dental extractions & restorations	1	0.7501	$2,835	1.1437	$4,629	
189	Other digestive system diagnoses age >17 w/o cc	1	0.6724	$2,541	0.6291	$2,546	
195	Total cholecystectomy w/CDE w/cc	1	3.2626	$12,329	2.6101	$10,563	
202	Cirrhosis & alcoholic hepatitis	1	1.6393	$6,195	1.3825	$5,595	
203	Malignancy of hepatobiliary system or pancreas	1	1.1429	$4,319	1.0466	$4,236	
208	Disorders of the biliary tract w/o cc	1	0.5962	$2,253	0.5953	$2,409	
213	Amputation for musculoskeletal system & conn tissue disorder	1	2.0843	$7,877	1.6674	$6,748	
218	Lower extrem/humer proc except hip, foot age >17 w/cc	1	1.6678	$6,303	1.5948	$6,454	
226	Soft tissue procedures w/cc	1	1.3552	$5,121	1.2697	$5,138	
232	Arthroscopy	1	0.916	$3,462	0.8672	$3,510	
233	Other musculoskelet sys & conn tiss O.R. w/cc	1	1.8202	$6,879	1.7665	$7,149	
235	Fractures of femur	1	1.5053	$5,689	1.2911	$5,225	
236	Fractures of hip & pelvis	1	1.0443	$3,946	1.0873	$4,400	
238	Osteomyelitis	1	1.3983	$5,284	1.5638	$6,329	
239	Pathological fractures & musculoskeletal & conn tiss malig	1	1.2721	$4,807	1.1963	$4,841	
247	Signs & symptoms of musculoskeletal system & conn tissue	1	0.5588	$2,112	0.5715	$2,313	
255	Fx, sprn, strn & disl of uparm, lowleg ex foot age 0-17	1	0.472	$1,784	0.4061	$1,643	
264	Skin graft &/or debrid for skn ulcer or cell w/o cc	1	1.7014	$6,430	1.3611	$5,508	
266	Skin graft &/or debrid except for skin ulc w/o cc	1	0.9396	$3,551	1.1108	$4,495	
269	Other skin, subcut tiss & breast proc w/cc	1	2.0403	$7,710	1.6322	$6,606	
270	Other skin, subcut tiss & breast proc w/o cc	1	0.9776	$3,694	0.8389	$3,395	
271	Skin ulcers	1	1.6718	$6,318	1.3374	$5,412	
272	Major skin disorders w/cc	1	1.608	$6,077	1.2864	$5,206	
278	Cellulitis age >17 w/o cc	1	0.7207	$2,724	0.6255	$2,531	
279	Cellulitis age 0-17	1	0.478	$1,806	0.4612	$1,866	
282	Trauma to the skin, subcut tiss/breast age 0-17	1	0.5016	$1,896	0.4164	$1,685	
285	Amputat of lower limb for endocrine, nutrit, or metab disord	1	2.7892	$10,540	2.3414	$9,476	

DRG	DRG Description	Column 1 Number of cases	Column 2 Weight Program Yr 07/01/99	Column 3 Reimbursement Program Yr 07/01/99	Column 4 Weight Program Yr 07/01/00	Column 5 Reimbursement Program Yr 07/01/00	Column 6 Increase in Base Rate
	Base reimbursement rate			**$3,779**		**$4,047**	**7.09%**
288	O.R. procedures for obesity	1	2.1119	$7,981	1.6926	$6,850	
289	Parathyroid procedures	1	0.7686	$2,905	0.6149	$2,489	
290	Thyroid procedures	1	0.8973	$3,391	0.8122	$3,287	
299	Inborn errors of metabolism	1	1.017	$3,843	1.1972	$4,845	
300	Endocrine disorders w/cc	1	0.9689	$3,661	1.0674	$4,320	
301	Endocrine disorders w/o cc	1	0.6048	$2,286	0.5119	$2,072	
303	Kidney,ureter & major bladder proc for neoplasm	1	3.5188	$13,298	2.8195	$11,411	
318	Kidney & urinary tract neoplasms w/cc	1	0.9016	$3,407	0.9986	$4,041	
323	Urinary stones w/cc, &/or esw lithotripsy	1	0.8067	$3,049	0.6454	$2,612	
333	Other kidney & urinary tract diagnoses age 0-17	1	0.5105	$1,929	0.7498	$3,034	
344	Other male reproductive system O.R. proc malignancy	1	1.1852	$4,479	0.9482	$3,837	
354	Uterine,adnexa proc for non-ovarian/adn w/cc	1	2.1372	$8,076	1.9319	$7,818	
356	Female reproductive system reconstructive proc	1	0.8735	$3,301	0.7176	$2,904	
357	Uterine & adnexa proc for ovarian or ad	1	2.9364	$11,097	2.4867	$10,064	
376	Postpartum & post abortion diagnoses w/o O.R. procedure	1	0.5746	$2,171	0.5315	$2,151	
378	Ectopic pregnancy	1	0.9183	$3,470	0.8368	$3,387	
395	Red blood cell disorders age >17	1	0.7883	$2,979	0.6728	$2,723	
399	Reticuloendothelial & immunity disorder w/o cc	1	0.7817	$2,954	0.6254	$2,531	
400	Lymphoma & leukemia w/major O.R. procedure	1	3.9379	$14,881	3.1503	$12,749	
405	Acute leukemia w/o major O.R. procedure	1	4.5804	$17,309	4.4644	$18,067	
413	Other myeloprolif dis or poorly diff neopl diag w/cc	1	1.799	$6,798	1.6243	$6,574	
414	Other myeloprolif dis or poorly diff neople diag w/o cc	1	0.8982	$3,394	0.7186	$2,908	
415	O.R. procedure for infectious & parasitic disease	1	3.2117	$12,137	3.3613	$13,603	
416	Septicemia age >17	1	1.5761	$5,956	1.4541	$5,885	
417	Septicemia age 0-17	1	1.451	$5,483	1.4047	$5,685	
433	Alcohol/drug abuse or dependence, left AMA	1	0.4981	$1,882	0.5018	$2,031	
440	Wound debridements for injuries	1	1.4098	$5,328	1.5279	$6,183	
442	Other O.R. procedures for injuries w/cc	1	2.4907	$9,412	2.0027	$8,105	
445	Multiple trauma age >17 w/o cc	1	0.5439	$2,055	0.4426	$1,791	
446	Multiple trauma age 0-17	1	0.5114	$1,933	0.458	$1,854	
447	Allergic reactions age >17	1	0.5341	$2,018	0.4374	$1,770	
450	Poisoning & toxic effects of drugs age >17 w/o cc	1	0.591	$2,233	0.495	$2,003	

DRG	DRG Description	Column 1 Number of cases	Column 2 Weight Program Yr 07/01/99	Column 3 Reimbursement Program Yr 07/01/99	Column 4 Weight Program Yr 07/01/00	Column 5 Reimbursement Program Yr 07/01/00	Column 6 Increase in Base Rate
	Base reimbursement rate			**$3,779**		**$4,047**	**7.09%**
452	Complications of treatment w/cc	1	0.9385	$3,547	0.8819	$3,569	
454	Other injury, poisoning & toxic effect w/cc	1	1.2701	$4,800	1.3853	$5,606	
466	Aftercare w/o history of malignancy as second diagnosis	1	0.5433	$2,053	0.6721	$2,720	
475	Respiratory system diagnosis w/ventilator support	1	3.7006	$13,985	3.4561	$13,987	
478	Other vascular procedures w/cc	1	2.5068	$9,473	2.3172	$9,378	
479	Other vascular procedures w/o cc	1	1.7601	$6,651	1.774	$7,179	
486	Other O.R. procedures for multiple significant trauma	1	6.8047	$25,715	6.7667	$27,385	
487	Other multiple significant trauma	1	2.6322	$9,947	2.8716	$11,621	
488	HIV w/extensive O.R. procedure	1	2.7046	$10,221	3.4931	$14,137	
489	HIV w/major related condition	1	1.539	$5,816	1.5937	$6,450	
494	Laparoscopic cholecystectomy w/o cc	1	1.0426	$3,940	0.926	$3,748	
503	Knee procedures w/o PDX of infection	1	1.0601	$4,006	1.0231	$4,140	
638	Newborn weighing less than 1,500 grams, O.R. procedure performed	1	16.5485	$62,537	15.973	$64,643	
650	Newborn weighing less than 2,500 grams, O.R. procedure performed	1	6.126	$23,150	8.7429	$35,383	
843	17 & younger -- Adjust. Reaction or Dysf.NotMilw Exempt	1	0.9434	$3,565	1.0313	$4,174	
851	17 & younger -- Organic Disturbances . . NotMilw Exempt	1	1.7247	$6,518	1.6356	$6,619	
853	17 & younger -- Psychoses . . . . . .NotMilw Exempt	1	1.6612	$6,278	1.4953	$6,051	
	Total	1,159		$5,969,287		$5,815,287	

Difference in payments based on lower weights and higher base rate **($154,000)**

Annualized **($369,599)**