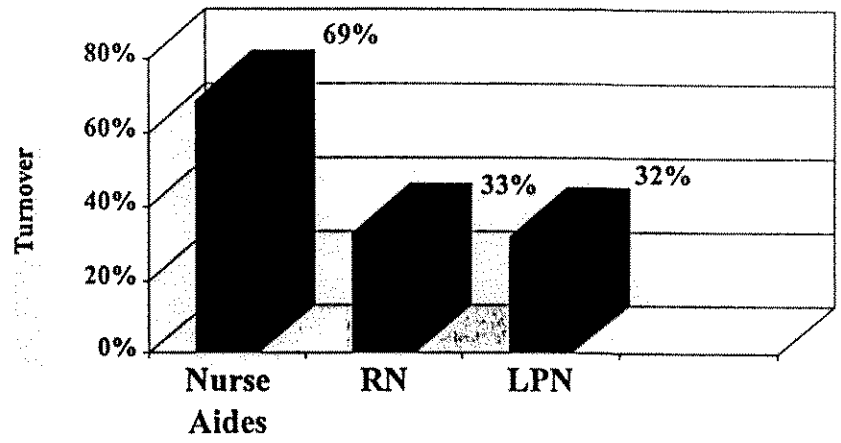
Additional Medicaid Funding Increases Are Critical

- Approximately 70% of facility costs are for personnel, primarily nursing staff.
- Facilities are combating increasing turnover rates and this battle can not be won without additional Medicaid payments.
- Non-profit and governmental homes have lower turnover rates but incur substantially higher Medicaid direct care losses because they generally staff higher and pay better.

Source: DHFS, 1998 Nursing Homes and 1998 MA Cost Reports

Full-Time Nursing Staff Turnover Rates



Source: DHFS, 1999 WI Nursing Homes & Residents

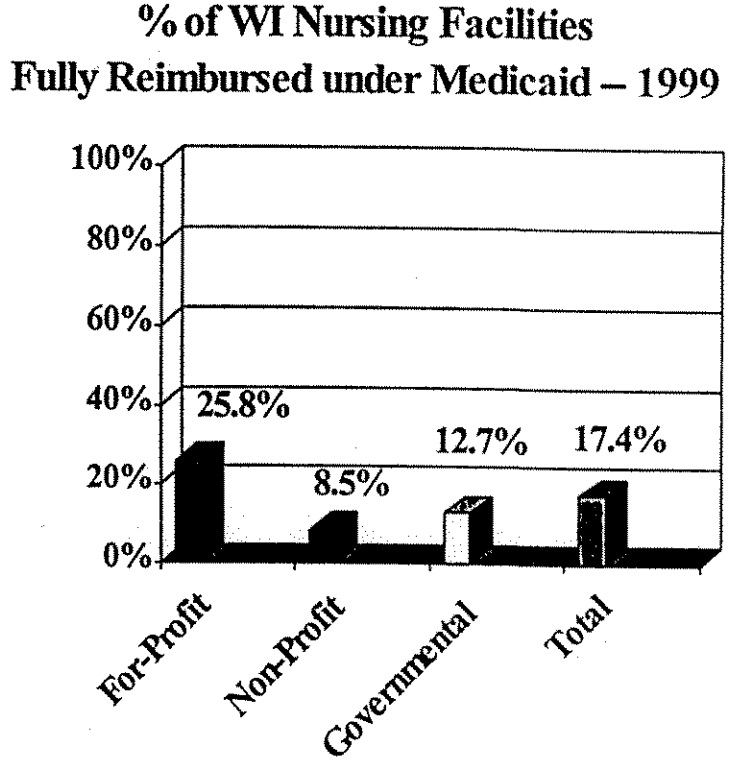
September 2000 Report Documents Financial Crisis--BD0 Seidman, LLP

- **Facility Medicaid deficits (the difference between MA costs incurred and MA reimbursement) currently exceed $125 million.**
- **In 1999, nearly 83% of all facilities were not fully paid for serving Medicaid residents. This number undoubtedly is higher today.**
- **The average projected facility loss for the 2000-2001 is $300,000.**
- **Taking into account *all* sources of payment, the average margin for all Wisconsin nursing homes in 1999 was a negative 4.79%.**
- **Wisconsin's 2000-2001 Medicaid payment ceilings relative to costs are the lowest in the United States.**
- ***To improve the state's present system to a level where only 40% (rather than the 83% in 1999) of the state's facilities experience 2001 rates below their costs would require an appropriation of at least $120 million in new funds.***

View full BDO Seidman study at: www.wahsa.org/public.htm

Very Few Homes Receive Medicaid Rates Equal to Costs

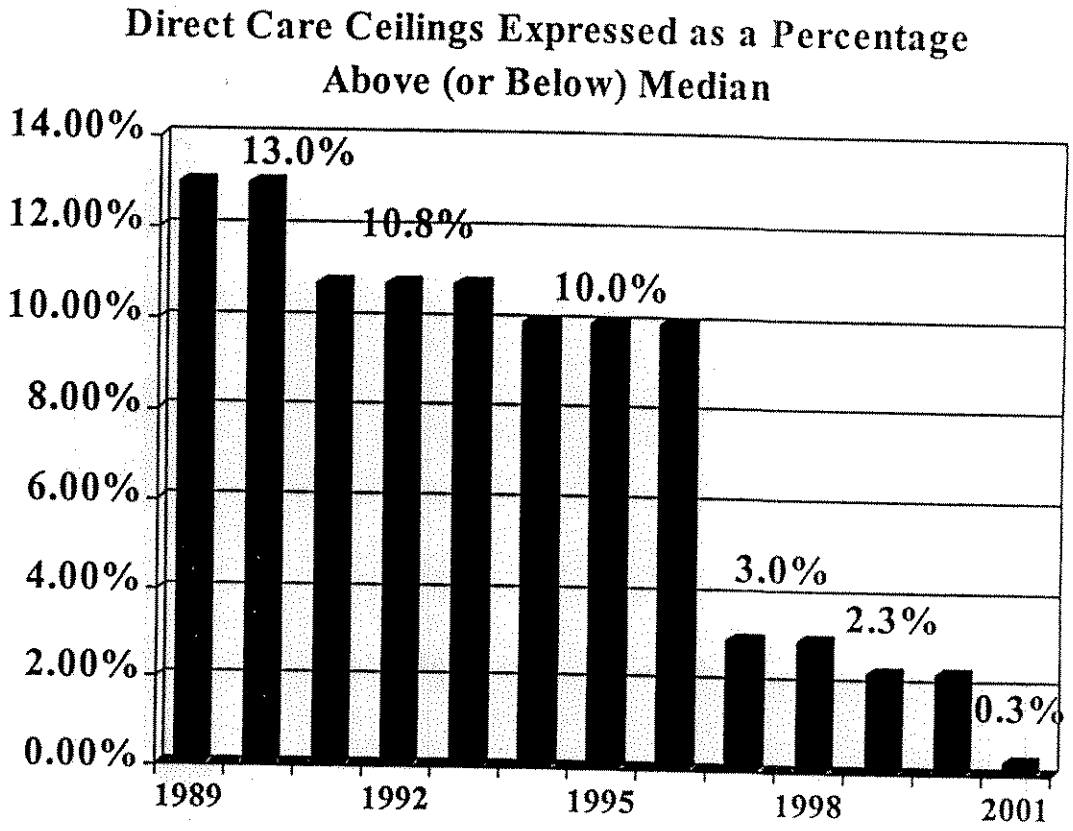
- When only 17.4% (1999 figures) of all facilities receive Medicaid rates equal to their costs, the public is not well served. Such a system makes it impossible for many facilities to effectively address increasing staffing and resident care needs.
- To help cover these losses, private pay residents are charged rates substantially above their actual care costs. The difference between Medicaid and private pay rates in many facilities exceeds $50/day!



Source: BDO Seidman, September 2000 Study

Medicaid Payment Ceilings Decline

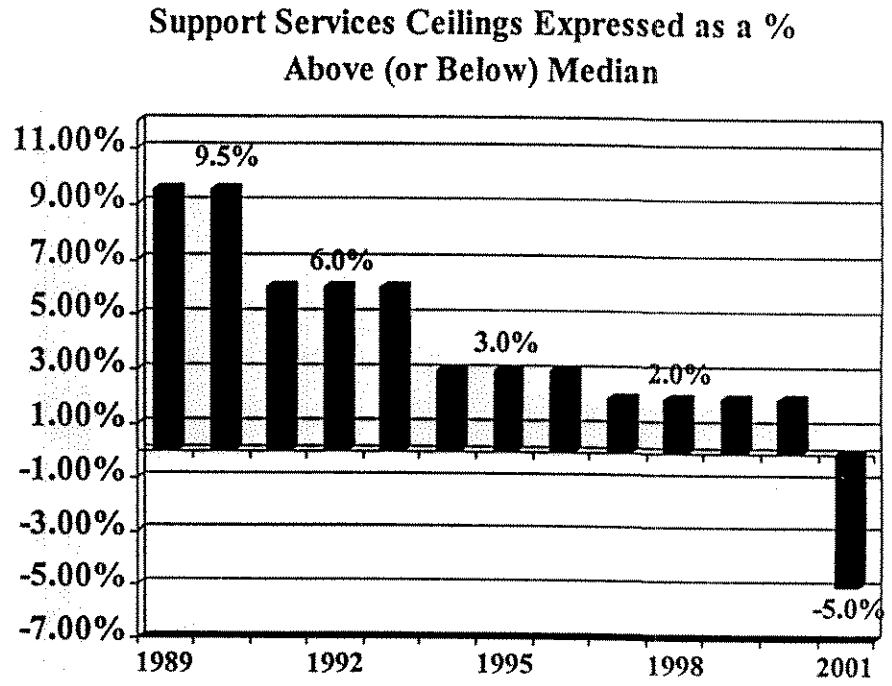
- The Medicaid nursing facility formula's Direct Care payment ceilings have been lowered dramatically over the past ten years. As facilities increase their wages, benefits and staffing hours, payments are capped and direct care deficits escalate.
- The majority of WAHSA member facilities exceed the direct care cost ceilings, meaning that added nursing costs are not reimbursed by Medicaid resulting in higher losses.



Note: The MA ceilings are expressed as a % of the statewide median of nursing facility costs within each cost center.

Medicaid Payment Ceilings Decline

- Medicaid's payment ceiling for support services (dietary, housekeeping, laundry, etc.,) is even lower than for direct care.
- Mounting support services losses further stress facilities' ability to fund resident-related care.



FY 2001Medicaid Payments

Although the authorized 2000-01 Medicaid nursing home rate increase was 2%, the payment system actually delivered lower rates for many facilities. Approximately 20% of all homes experienced a rate cut, and 52% of the homes received an increase of 2% or less. The reason: Medicaid cost inflation (4.58%) significantly outpaced the 2% rate increase.

Governor's Medicaid Nursing Facility Recommendations--2001 SB 55/AB 144

- Increase Medicaid nursing facility funding by $115 million in 2001-02 and by $157.2 million in 2002-03.
- The entire increase would be funded from an anticipated expansion of the Intergovernmental Transfer Program (IGT). No New GPR State Dollars are authorized under the Governor's budget for nursing facilities.
- IGT dollars also would entirely fund $50 million rate increases for other Medicaid providers over the biennium.

What Increases Would be Funded Under the Governor's Budget?

- Although the Governor's *Budget in Brief* document indicates the 2001-02 Medicaid nursing home rate increase would be 13.5%, the increases facilities actually would receive under the MA payment formula would be substantially less. Funds would be allocated as follows:

  $40.0 million: In separate IGT payments to counties for property tax relief, to pay for costs associated with serving hard-to-care for residents and to cover losses for county facility downsizings.

  $25 million (est.): Required to restore Medicaid formula cuts implemented in 2000-01.

  $40.0 million (est.): Required to pay for inflationary costs incurred by facilities, over the past 12-18 months but not recognized by the payment system.

  $10 million (est.): To fund future inflationary costs and to achieve modest improvements to the current Medicaid payment system.

- The IGT program also would fund a Medicaid nursing facility rate increase of 4% in 2002-03.

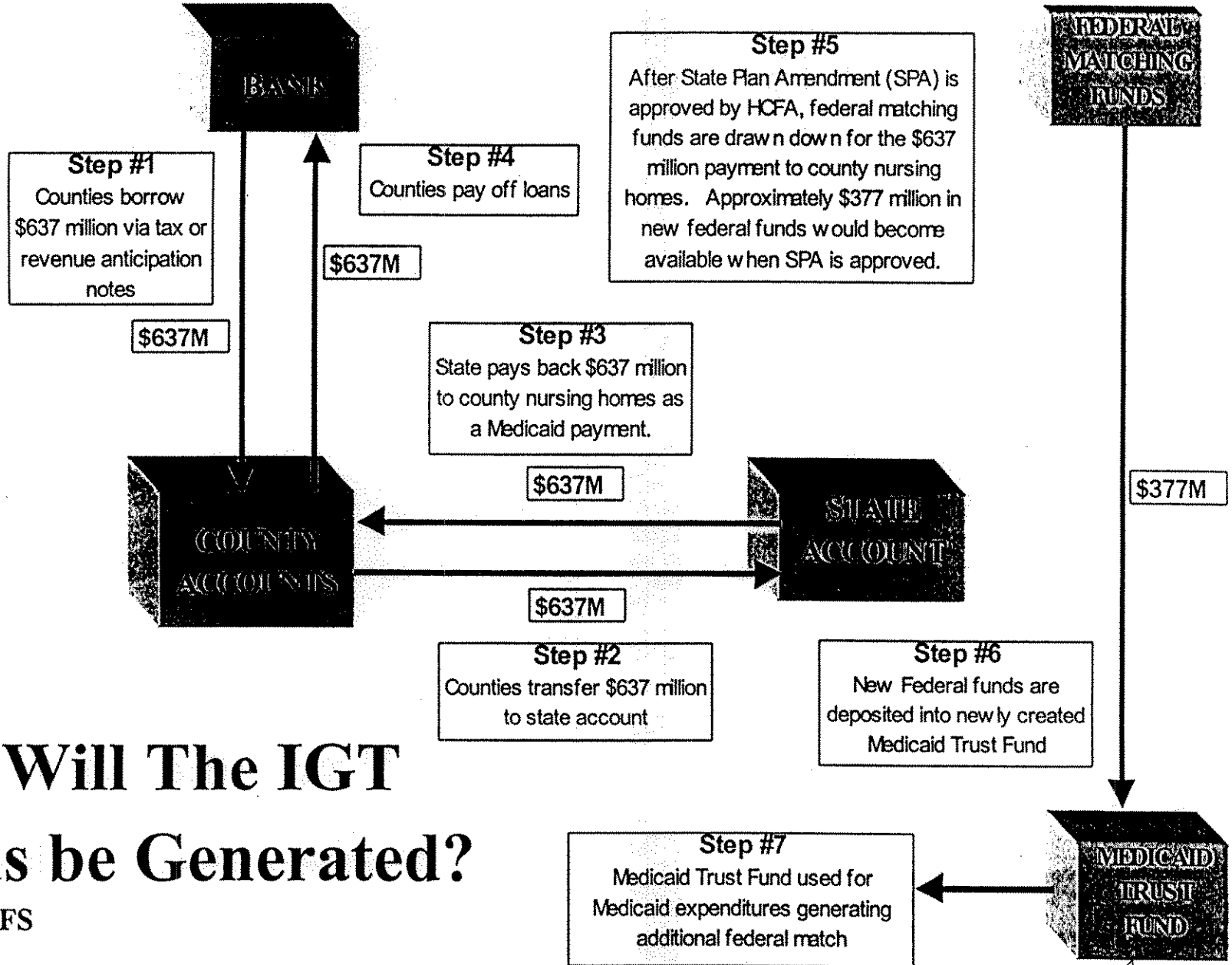
What Medicaid Formula Changes Are Anticipated?

- WAHSA members are appreciative of the Governor's efforts to increase the Medicaid nursing facility payment system and have agreed to fully support the funding increases contained in his budget. It must be understood, however, that the proposed 2001-03 budget would not dramatically improve the nursing facility payment system.
- The BDO Seidman report recommended increasing the Direct Care ceiling to 115% (now 100.33 %) and the Support Services and Administration ceilings to 110% (now 95% and 91.2%, respectively), which would move Wisconsin's system closer to the nationwide averages. Under the Governor's budget these ceilings are projected to be set 104% for Direct Care and at 95% for both Support Services & Administration.
- The proposed budget does not provide adequate funding to: rectify staffing shortages; meet optimal nursing staffing levels identified by the federal government; greatly increase staff wage/benefit packages; address provider concerns with the proposed elimination of the MA labor regions; or adequately fund a new payment system based on resident acuity.

WAHSA

Explanation of the Expanded IGT Program

- **The IGT funds would be deposited into a Medicaid Trust Fund. The Fund would entirely finance MA provider increases recommended by the Governor.**
- **The IGT program will likely be phased-out as a funding option. The Federal government is working to eliminate the ability of States to obtain federal Medicaid matching funds using IGT mechanisms.**
- ***Securing the federal Medicaid matching IGT funds is not a certainty. The State has submitted a change to its Medicaid plan and the Federal government is expected to approve or deny this change some time prior to May 1, 2001. If this IGT program change is denied, substantial GPR increases for nursing facilities and other MA providers would be required.***



How Will The IGT Funds be Generated?

Source: DHFS

Explanation of the Expanded IGT Program

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What if the IGT Expansion Isn't Successful?

- The well documented nursing facility funding crisis needs immediate attention and must be addressed regardless of whether the federal government approves the proposed IGT program expansion.
- If IGT funding increases are not secured, it is estimated that GPR funding increases of $46 million in 2000-01 and $63 million in 2002-03 will be necessary to fund the Governor's nursing facility budget.
- WAHSA and its members pledge to continue working with the Governor and Legislature in addressing the needs of Wisconsin's nursing facility residents, staff and communities.

Questions?

- **WAHSA and its members are available to answer your questions on long term care services and funding matters.**

Wisconsin Association of Homes and Services for the Aging (WAHSA) is a statewide membership organization of not-for-profit corporations principally serving elderly and disabled persons. Membership is comprised of 190 religious, fraternal, private and governmental organizations which own, operate and/or sponsor 194 not-for-profit nursing homes, 71 community-based residential facilities, 39 residential care apartment complexes, 100 independent living facilities, and 446 community service programs which provide services ranging from Alzheimer's support, child day care, hospice and home care to Meals on Wheels. For more information, please contact the WAHSA staff at (608) 255-7060: John Sauer, Executive Director; Tom Ramsey, Director of Government Relations; or Brian Schoeneck, Financial Services Director.

WAHSA, 204 S. Hamilton St., Madison, WI 53703

Fax: (608) 255-7064

www.wahsa.org

IGT Expansion--A Delicate Partnership

- Recognizing the State's GPR budget concerns, WAHSA, the Wisconsin Counties Association and the Wisconsin Health Care Association first suggested the expanded IGT option. These associations have signed an agreement to support the Governor's IGT budget and pledge not to seek additional 2001-2003 Medicaid Trust funds beyond the levels recommended by the Governor.
- IGT expansion can not occur without county participation. Any substantive modification or expansion of the IGT agreement reflected in the Governor's budget could be viewed by counties as reason to opt out of the IGT program and not transfer funds after the first year, effectively stopping the program.

The Partnership Continues

Nursing facilities and counties have long been helpful partners in financing the State's long term care system. The nursing facility and ICF-MR provider assessment (tax) generates $39.2 million, saving the State $16.6 million GPR annually. The current IGT program funds nearly $73 million of Medicaid costs. According the the Legislative Audit Bureau, nursing facility GPR expenditures actually have declined in recent years and the Legislative Fiscal Bureau figures show that nursing facility all funds expenditures increased by only 0.8% from 1996 to 2000.

Medicaid Expenditures for Skilled Nursing Care
FY 1994-95 through 2000-01

Fiscal Year	GPR	% GPR	Federal Funding	% FED	Total Reimbursed Expenditures
1994-95	$233,670,029	37.4%	$391,680,161	62.6%	$625,350,190
1995-96	231,264,146	34.5	438,920,182	65.5	670,184,327
1996-97	202,265,712	30.1	470,390,288	69.9	672,656,000
1997-98	222,789,935	32.8	457,391,443	67.3	680,181,378
1998-99	229,931,767	32.9	468,201,659	67.1	698,133,426
1999-00*	224,080,967	33.4	446,547,142	66.6	670,628,109
2000-01*	199,383,543	30.7	449,029,730	69.3	648,413,272
*estimated					

Sources: Legislative Audit Bureau, County Nursing Home Funding, 00-01, 1/2000
Legislative Fiscal Bureau 1/2001 Informational Paper #43

WALHSA

DIVISION OF HEALTH CARE FINANCING

1 WEST WILSON STREET
P O BOX 309
MADISON WI 53701-0309

Telephone: 608-266-8922
FAX: 608-266-1096
TTY: 608-261-7799
www.dhfs.state.wi.us

State of Wisconsin

Department of Health and Family Services

Scott McCallum
GOVERNOR

WCA/WAHSA/WHCA IGT Agreement with DOA/DHFS

- Continue current level of Intergovernmental Transfer (IGT) funds (i.e., $40.1 million and $78.1 million in FY 01 and $37.1 million and $78.1 million in FY 02 and FY 03 in nursing home base).
- Devote all new IGT funds to the Medicaid Program. The vast majority of IGT funds will be used to address nursing home funding needs.
- IGT funds received by the State will not be utilized to reduce or replace current GPR funding (as adjusted in the Medicaid base reestimate) for the nursing home payment system.
- Propose statutory language to establish an interest-bearing IGT Medicaid Trust Account that will be effective upon passage of enabling legislation. An amount equal to all IGT funds received by the State of Wisconsin during or after FY 2001 will be deposited into the trust account. The vast majority of the trust account balances will be utilized to fund current and future expenditures contemplated under this agreement.
- Counties will be identified to participate in an IGT through a wire transfer. Development and transaction costs will be paid from Trust funds (counties will be fully reimbursed for these costs).
- Increase Medicaid nursing home funding by $115 million in 2001-02 and by an additional 4% in 2002-03. The 2001-02 funds would be split $40 million to counties and $75 million for the reimbursement formula. To facilitate a reasonable determination of how the $40 million allocated to the counties will be distributed, the Wisconsin Counties Association (WCA), the Wisconsin Association of Homes and Services for the Aging (WAHSA) and the Wisconsin Health Care Association (WHCA) agrees DHFS should model the following formula parameters for distribution of the $75 million:

  1. Direct Care targets at 104% of the median.
  2. Property/Capital T2 set at 9.5%.
  3. Support Care targets at 95% of the median.
  4. Administration targets at 95% of the median.

  These percentages will be adjusted proportionally as necessary to distribute no more than $75 million. Final formula parameters regarding how the $75 million will be distributed under the 2001-02 nursing home reimbursement formula will be developed by DHFS and the Associations at a later date.
- The Associations' support of a 4% increase in 2002-03 is committed with the expectation that this level is sufficient to maintain the 2001-02 formula. In the event that this level is insufficient, the Associations reserve the right to seek additional funding from the Legislature.
- The Associations and DOA/DHFS have agreed to distribute the $40 million IGT county allocation to cover certain operating deficits of certain facilities operated by counties and other local units of government, in the priority order set forth below. (The attached provides the Associations' projected 2001-02 distribution based on this methodology.) If after covering all deficits within a higher priority category remaining funds are insufficient to cover all deficits within the next lower category, remaining funds shall be divided among

APR/ 3/2001

Grand View Care Center Blair Wi

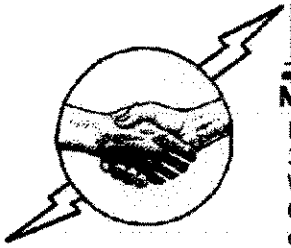
Adding Life to Years

Generations Caring for Generations

July 1,- June 30,Audit Data

09/15/00

Fiscal Years	**1999-2000**	**1998-1999**	**99-00 less 98-99**
Total Wages & Benefits Paid	**$2,697,989**	**$2,411,846**	
Increase in Wages & Benefits			**$286,143**
Labor Costs As % of Tot Costs	**71%**	**69%**	
Care Days basically the same	**34,306**	**34,259**	**47**
Financial Information			
In $ per day of care			
Total Revenue	$105.66	$102.56	$3.10
Total Expenses	$110.23	$101.42	$8.81
Net Loss	($4.56)	$1.14	($5.71)
Av Medicaid Revenue	$93.34	$93.34	$0.00
Av Medicaid Exp	$104.94	$96.75	$8.19
Net Medicaid loss	($11.60)	($3.41)	($8.19)
Susidization by other Payors	$7.03	$4.55	$2.48
Total Wages & Benefits Paid	**$78.64**	**$70.40**	**$8.24**
Nursing Care	$43.57	$39.32	$4.26
Fringe benefits	$12.14	$10.70	$1.45
Dietary Services	$6.34	$5.38	$0.96
Administration	$5.89	$5.57	$0.32



PARTNERS IN EMPOWERMENT

MENTAL HEALTH CONSUMER RESOURCES FOR THE GREATER LACROSSE AREA

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Partners In Empowerment, (PIE), Goals for the Resource Center

PIE will open a Resource Center for mental health consumers in the Greater La Crosse area, on or before Feb. 2002. The Center will welcome mental health consumers with the assurance that the staff will not report any information provided by them to third parties outside the Center. Consumers will feel more comfortable if they are assured that their confidentiality will be maintained as much as possible.

In addition to assuring consumer confidentiality, this Center..

- **...will be run by a board of advisors consisting primarily of mental health consumers, but could also include family members of consumers.**
- **...will be staffed by at least two mental health consumers at any given time. These will be salaried and volunteer positions.**
- **...will be open at least two afternoons and two evenings per week, plus Saturday afternoons. Once the Center is open, staff will poll the consumers utilizing the center to determine whether the Center should be open additional hours.**
- **...will have at least five computers available for consumers to use the internet, e-mail, write letters, learn computer skills, network with other mental health consumers and do artwork.**
- **...will have a library of materials available including videotapes, books, pamphlets, and computer software about mental health issues.**
- **...will have meeting rooms to be used for support group meetings, educational classes, and PIE business meetings, etc.**
- **...will have art materials, paper, and easels available for artwork. Video cameras and 35mm cameras will also be available for consumers use as the budget allows.**
- **...will have recreational games and activities available, but the primary purpose of the Center is to empower, then to educate and provide peer support as needed.**
- **...will provide a "Warmline", which would provide peer support over the telephone. Hours will depend on availability of consumer staff.**
- **...will maintain a website with links to local, state, and national mental health consumer groups.**

"Changing our world through advocacy, education, support, and stigma reduction."

Mental illness and alcohol/drug abuse disorders are real illnesses

According to Joseph Califano, of Columbia University's Center on Addiction and Substance Abuse, more than 18 million Americans have active drug and/or alcohol addictions.

The Surgeon General's Report on Mental Health states that approximately one in five individuals experience the signs and symptoms of a mental disorder during the course of a year.

Mental illness and alcohol/drug abuse disorders are treatable

Current success rate for treatment *(according to National Institute of Mental Health)*

DEPRESSION	80%-90%
SCHIZOPHRENIA	60%
CARDIOVASCULAR DISEASE	45%-50%

Rates of Retreatment (Relapse) Within One Year

60-80% relapse — Asthma (Adult)

50-60% relapse — Medication Dependent Hypertension

30-50% relapse — Insulin Dependent Diabetes

10-30% relapse — Abstinence Oriented Drug/Alcohol Treatment

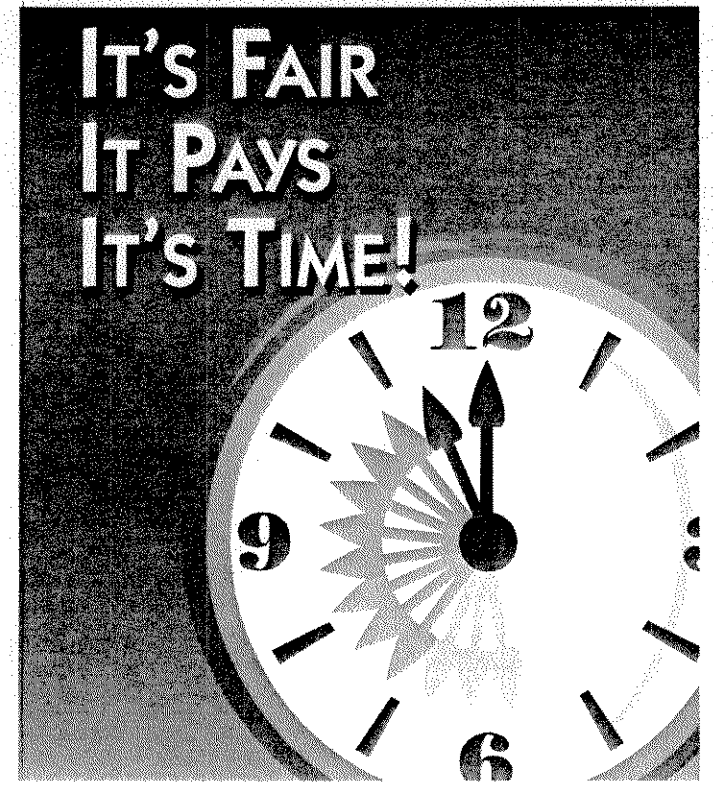
as reported by Lancet

But most people who need treatment don't get it.

According to the Surgeon General, 75-80% of children and adolescents in need of mental health treatment fail to get specialty treatment and most receive no treatment at all. Surveys consistently document that a majority of individuals with depression receive no form of treatment.

Half of individuals who need alcohol/drug abuse treatment — and 80% of adolescents who need this treatment — do not receive it.

IT'S TIME TO WIPE OUT HEALTH INSURANCE DISCRIMINATION



THE COALITION FOR FAIRNESS IN MENTAL HEALTH AND SUBSTANCE ABUSE INSURANCE

121 S. Hancock Street, Madison, WI 53703

IT'S FAIR

Under current Wisconsin law persons with mental illness and alcohol/drug abuse disorders receive limited coverage.

- All individuals pay a premium for their insurance coverage, but most health insurance plans discriminate against individuals with mental illness or alcohol/drug abuse disorders by requiring higher co-payments, allowing fewer inpatient or outpatient visit days, and limiting annual benefits.
- People with mental illness and alcohol/drug abuse disorders subsidize people with other illnesses.
- Diagnoses of mental disorders made using specific criteria are as reliable as those for general medical conditions (Surgeon General's report on Mental Health).

PARITY IS FAIR

Parity means that mental health and alcohol/drug abuse coverage is no more restrictive than coverage of other illnesses.

Increasing coverage has only a small effect on insurance premiums.

- The NIMH* concludes that parity may increase insurance premiums about 1% but would result in decreases in total health care costs.
- The Wisconsin Department of Employee Trust Funds estimates that parity for state employees would increase insurance premiums only *one tenth of one percent!*

The alternative is unacceptable.

- The Surgeon General points out the terrible choice that may face families of children with long-term and complex mental health problems. If they are unable to pay for services, these families may have to give up custody to the child welfare system in order to obtain needed mental health services.

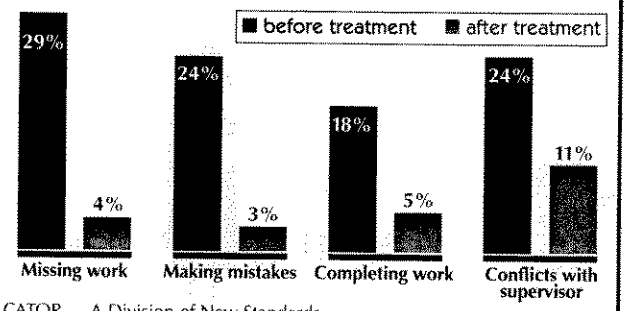
* NIMH — NATIONAL INSTITUTE OF MENTAL HEALTH

IT PAYS

With parity, people will experience fewer insurance barriers to appropriate and necessary treatment. Earlier access to treatment will be possible. This will result in more effective and less costly treatment, reducing the suffering of the individual and family.

- A Yale University study found that a Connecticut company that *reduced* its mental health services experienced increased general health care costs, increased use of sick leave and decreased productivity. The net result was no economic benefit or loss to the company.
- According to the Rand Corporation, every dollar spent on drug and alcohol treatment yields $12 in savings due to increases in productivity and reductions in crime-related spending and other health care costs.
- In an analysis of 14 years of claims data, the Journal of Studies on Alcohol reports a 24% reduction in health care costs among persons with alcoholism who had received treatment. Those persons in the study who had received no treatment showed an increased cost.
- The American Journal of Psychiatry reported empirical findings of a 10% reduction in general health care costs as a result of mental health treatment.
- When privately insured individuals exhaust their benefits they turn to the public sector for treatment, which increases costs to federal, state and local governments. (Lewin-VHI,1994)

JOB PROBLEMS BEFORE AND AFTER ALCOHOL/DRUG ABUSE TREATMENT



CATOR — A Division of New Standards

IT'S TIME

Would you tolerate an insurance policy limiting cardiology services for a child with a heart condition to only 20 visits... no matter how serious the condition?

NO!

Would you tolerate an insurance policy that provides hospitalization coverage necessary for treatment of all health problems...except cancer, which would be limited to 30 days a year no matter how much treatment is needed?

NO!

Should we continue to tolerate insurance discrimination against persons with mental illness or alcohol/drug abuse disorders when they are denied necessary services... when we know how treatable these conditions are?

NO!

IT'S TIME FOR WISCONSIN TO JOIN 31 OTHER STATES THAT HAVE ADOPTED PARITY LEGISLATION!

The **COALITION FOR FAIRNESS IN MENTAL HEALTH AND SUBSTANCE ABUSE INSURANCE** consists of over 80 groups representing over 2 million Wisconsin residents. We are people with mental illness and substance abuse disorders, their family members, mental health and substance abuse advocates and treatment professionals, faith-based groups, employers and labor groups.

If you would like more information about the **COALITION FOR FAIRNESS IN MENTAL HEALTH AND SUBSTANCE ABUSE INSURANCE**, mental health and substance abuse parity or any of the information in this brochure, or if you would like to find out how you can help achieve fairness in insurance coverage for individuals with mental illness and alcohol/drug abuse disorders, please contact:

THE COALITION FOR FAIRNESS IN MENTAL HEALTH AND SUBSTANCE ABUSE INSURANCE

121 S. Hancock Street, Madison, WI 53703 • Phone: 608-251-1450
Fax: 608-251-5480 • Email: wispsych@execpc.com

Re: Department of Health and Family Services Initiative for Volume Purchasing of Incontinence Products

Hello, my name is Dan Reckase, and I am CEO of Degen Berglund, a community pharmacy and medical equipment supplier which serves a 75-mile radius of La Crosse. Degen Berglund participates in the Wisconsin Medicaid program. Every week we make deliveries to eight western Wisconsin counties.

When medically necessary, Wisconsin Medicaid covers incontinence products, which in fiscal 1998 cost the State over $3,750,000. Almost 85% of these dollars paid for disposable diapers. Less than half of these diapers are for children. Most go to frail elderly or multiple needs adults. This product is neither high dollar volume nor high profit for Degen Berglund when all costs are considered. Disposable diapers are bulky yet inexpensive, so shipping, handling, and storage costs are significant compared to purchasing costs. Freight in alone can run over 20% of the cost of some products. To minimize these costs Degen Berglund orders in quantities large enough that the manufacturer will prepay the freight in. Also, as with any Medicaid covered items, Degen Berglund delivers to the recipient and then must file documented claims and wait to be paid.

In the last budget cycle, the Department of Health and Family Services proposed a volume purchasing plan in which a single supplier would ship incontinence products to recipients statewide. This was expected to offer quality products at a discounted rate. The transition was anticipated to be in early 2000. Although many suppliers around the state were opposed to this initiative, Degen Berglund was not. However, it is April 2001, and implementation is still at least two months away.

But the real problem, and the reason I'm here, is a change in the proposed distribution. At a luncheon in Madison on March 8, a representative of the Department told a group of suppliers that the contract winner would not ship the products to recipients as initially proposed but rather to current suppliers, and current suppliers would still be required to store product and deliver to patients, purchasing at the price negotiated by the Department. When this is implemented, the Department will reduce reimbursement paid to suppliers so that the state budget savings are achieved. I asked whether freight in was included in the negotiated price for product. She shook her head no.

This turn of events represents the worst case scenario for Degen Berglund. Degen Berglund currently purchases from one of the two finalists for the contract. Their product is not preferred by most recipients we serve. So here's where we stand: Degen Berglund will be reimbursed less while, when freight is included, we may have to pay more for products our customers don't like.

As the implementation process has sputtered along, our state trade association, the Wisconsin Association of Medical Equipment Suppliers, has repeatedly suggested that reimbursement simply be reduced by 10% with other aspects of distribution being left as they are. From Degen Berglund's perspective this isn't a great solution, but it's better than the current alternative, and it meets the Departments budget goals. This solution was again offered at the luncheon on the 8th and was again rebuffed.

Whatever you can do to stop this initiative which has run amok will be greatly appreciated. Thank you.

DHFS

Department of Health and Family Services
1999-2001 Biennial Budget Issue Paper
March 17, 1999

Volume Purchasing of Incontinence Products

Summary of Program

Wisconsin Medicaid covers incontinence products including disposable diapers, cloth diapers and other products, when medically necessary to treat a recipient's illness, injury or disability. Providers are responsible for dispensing an appropriate, quality product that meets the recipient's needs. Medicaid does not require the use of generic diapers. Medicaid reimburses for incontinence products through direct reimbursement to providers statewide. In SFY 97 Wisconsin Medicaid purchased almost 6 million disposable diapers and paid over $3 million.

Problem Description

The delivery system of incontinence products for Wisconsin Medicaid recipients is ineffective due to the current reimbursement system.

Background

1. Disposable diapers constitute the largest single Medicaid expenditure for disposable medical supplies. Wisconsin Medicaid purchased almost 6 million disposable diapers in SFY 97 and paid over $3 million. Analysis of pricing levels indicates that Medicaid reimbursement rates exceeds retail prices for children's diapers and is comparable to retail prices for adult diapers. A survey of pricing found that Medicaid maximum allowable fees ($.31 - .68 per diaper) allow a profit margin of 33-46% based on the average cost of diapers. Despite this fact, Durable Medical Equipment (DME) providers have stated that they cannot afford to provide a quality product at Medicaid maximum allowable fees. In addition, complaints indicate that some recipients may not be receiving disposable diapers of a quality that meets their needs.

2. The Bureau proposes to implement a volume purchase plan for disposable diapers and other incontinence products. Under a volume purchase plan, all products would be provided by a single supplier and shipped to recipients statewide. Due to the Department's large volume purchasing power, a single supplier should be able to offer quality products at a discounted rate, thereby solving the problems of inadequate products for recipients and dissatisfaction with reimbursement levels for individual providers.

3. The State of Michigan's Medicaid Program has a volume purchase plan for disposable diapers and estimates savings of 10% over individual purchase. Based on these cost savings, Wisconsin Medicaid estimates that a volume purchase plan for incontinence products will save $378,000 AF ($155,500 GPR) in annual Medicaid expenditures.

4. A 1993-95 budget proposal for a volume purchase plan for diapers was not implemented due to negative response from the DME industry. The Department compromised by lowering reimbursement rates. It is clear, however, that neither providers nor recipients are satisfied with the compromise.

Recommendation

Authorize the implementation of a volume purchase plan for incontinence products. It is estimated that this change will save $378,000 AF ($155,900 GPR) in SFY 2000 and $378,000 AF ($156,200 GPR) in SFY2001.

U.S. ranked low for health care

France is No. 1, Italy No. 2 and the U.S. is 37th

By Lauran Neergaard
AP medical writer

The United States spends more per person on health care than any other country, yet in overall quality its care ranks 37th in the world, says a World Health Organization analysis. It concluded that France provides the globe's best health care.

Italy ranked No. 2, says the World Health Report, being published today — a highly contentious first attempt to compare the world's health systems.

Tiny countries with few patients to care for — San Marino, Andorra, Malta — crowd onto the World Health Organization's surprising best list. Singapore, Spain, Oman, Austria and Japan round out the top 10.

That doesn't mean the French and Italians are the world's healthiest people. Japan actually won that distinction.

Instead, the WHO report basically measures bang for the buck: comparing a population's health with how effectively governments spend their money on health, how well the public health system prevents illness instead of just treating it and how fairly the poor, minorities and other special populations are treated.

When each country's measurements were added together, even study co-author Dr. Christopher Murray, a Harvard health economist and the health organization's chief of health policy, was surprised. He had expected Scandinavian countries or Canada to be the world's best, because they're always presented as models.

Instead, Norway hit No. 11, Canada 30. Britain, with its much-debated free national health service, came in 18th.

The report sparked immediate controversy.

"Any set of rankings that puts Finland at 31 and Italy at 2, or even France at No. 1, raises questions," said Nick Bosanquet, health policy professor at London University's Imperial College, noting that previous studies have been highly critical of Italy.

"They are obviously getting an olive oil effect," he added, referring to the famed Mediterranean diet.

Italians themselves have expressed dissatisfaction with health care, said a surprised E. Richard Brown, director of the University of California, Los Angeles, Center for Health Policy Research.

It's long been clear "the U.S. is woefully lacking," Brown said. Proof, he said, is in the 40 million uninsured Americans amid a patchwork of different quality private insurance and government programs.

While good at expensive, heroic care, Americans are very poor at the low-cost preventive care that keeps Europeans healthy, said Princeton University health economist Uwe Reinhardt. Take prenatal care. Reinhardt called France the role model, while many poor Americans get no prenatal care.

The United States spends a stunning $3,724 per person on health each year. But measuring how long people live in good health — not just how long they live — the Japanese beat Americans by 4½ years, and the French lived three more healthy years. Yet Japan spends just $1,759 per person on health and France $2,125.

The most doesn't mean the best

A study of world health systems has found that the United States spends the most per person but ranked 37th for quality of service. Here are the top rankings for overall performance and spending.

*** Indicates G-7 country, the seven richest countries in the world**

Overall performance	Total spending, per capita	
1. France*	1. **United States***	$3,724
2. Italy*	2. Switzerland	$2,644
3. San Marino	3. Germany*	$2,365
4. Andorra	4. France*	$2,125
5. Malta	5. Luxembourg	$1,985
6. Singapore	6. Austria	$1,960
7. Spain	7. Sweden	$1,943
8. Oman	8. Denmark	$1,940
9. Austria	9. Netherlands	$1,911
10. Japan*	10. Canada*	$1,836
18. United Kingdom*	11. Italy*	$1,824
25. Germany*	13. Japan*	$1,759
30. Canada*	26. United Kingdom*	$1,193
37. **United States***		

SOURCE: World Health Report 2000 AP

TESTIMONY OF HANK HENDRICKSON

Member, AARP Wisconsin Government Affairs Committee

Before the Joint Committee on Finance
April 3, 2001
La Crosse, Wisconsin

Good morning. My name is Hank Hendrickson. I live in ~~La Crosse~~ Viroqua and I'm a volunteer member of AARP's Government Affairs Committee.

My mission today is to persuade you to include a prescription drug benefit for Wisconsin seniors in the budget. More exactly, I want to persuade you to include the plan known as Wisconsin Care in the budget. In the Senate, Wisconsin Care is Senate Bill 1; in the Assembly, it's Assembly Bill 53.

If you read the papers, you probably saw articles last week that reported huge increases in the premiums that Medicare beneficiaries have to pay for supplemental Medigap insurance.

Even the Medigap plans that don't include prescription drug coverage went up by an average of more than 15%.

But the plans that do include prescription drug coverage went up by an average of more than 37%.

All this was documented in a study that was commissioned by the Health Care Financing Administration, the agency in Washington that oversees Medicare expenditures.

People will say, well, that doesn't affect us. With Medicare Select, Wisconsin has its own system of standardized supplemental coverage in place. But the underlying problem is the same everywhere in the country. What's driven the cost of premiums so high are huge increases in the costs of prescription drugs.

For way too many seniors in Wisconsin, buying drug coverage just isn't an option. Either policies are too expensive or they've missed the enrollment deadline or they have pre-existing conditions that disqualify them. That's why there are so many seniors in Wisconsin who don't have any prescription drug coverage at all. The only choice these folks have when they're filling prescriptions is either they buy their medicine and cut back on other necessities, like groceries, or they buy other things they need, like food and utilities, and don't buy their medicine.

Medication can cost seniors as much as $400 or $500 a month or even more. For low-income seniors, that's obviously a disaster. But, even when you think you've provided properly for your retirement, your prescriptions can eat up your savings in no time at all if you don't have coverage.

What's even worse, though, is there's no sign at all that these increases in drug prices are going to stop or even slow down.

That's why Wisconsin seniors need Wisconsin Care. Not the penny-pinching measures that other bills are proposing. We need Wisconsin Care now.

Thank you for your time.

Hi, I'm Hank Hendrickson and I'm a member of the GREATEST GENERATION.

We survived the great depression, we rebuilt the infrastructure, highways, factories, and we rejuvenated the land. We brought electricity to rural Wisconsin/America, made the Mississippi River a navigable waterway. We fought and won the wars to preserve our freedom. We educated our children better than the opportunities we had. We helped pay for and develop the greatest health care system in the world and now many of us are denied adequate health care, including prescription medication, because of the unreasonable high cost. America ranks 37th among industrialized nations in the quality of health care and the most expensive. Nearly 50 million people in America do not have adequate health care, many without health care.

Why! I'll tell you why. It's because, in large part, to the greed of drug companies and health insurance companies. The High Tech medical services available are also a contributor to the high costs we are seeing in medical care.

America must decide if health care is to continue as a privilege or become an entitlement as it is in all other industrialized nations of the world.

America must develop a universal, comprehensive health care program with a one-payer system. Eliminate health insurance companies and reduce the profit margin of drug companies.

Respectfully Submitted,

Henry Hendrickson
347 S. Lincoln Avenue
Viroqua, WI 54665
(608) 267-9256

April 3, 2001

University of W.I. - La Crosse
Cleary Alumni and Friends Center
615 East Avenue North

Gentlemen:

Today I came to talk in behalf of Medical Assistance access to dentistry. Due to another commitment I was unable to stay until my turn.

I am disabled. This is what I would have you be aware of.

Before I came I called to see how difficult getting a dentist would be. All I had to do was mention M.A. The response given was

1. Courteous
2. apologetic
3. sympathetic

The only solution was wait until the tooth got bad enough to be extracted. To extract a salvagable tooth is unacceptable and unnecessary. So, the fourth response was, Rejection.

People with dental problems incur difficulties from appearance to diet, to pain. Later it can be life threatening due to bacteria released

into the blood stream.

This is medically not cost effective. This is preventable.

On a personal level.

I am the exception. I have a dentist and we go back nearly 95 years. Thats the plus side.

The downside is:

1. Procedures that aren't covered.
2. Procedures limited to once a year
3. The rule is too much damage can occur before some teeth are eligible for repair
4. Delays in information exchange.
5. Delays in compensation.
6. Inadequate compensation.

So much is not covered that in order to get treatment it is out of pocket. Thats a huge stretch for people on a fixed income who are below poverty.

Dentistry is hard work. People have to have it. Doctors can not afford to operate a practice they are loosing money on.

Please Pass State Bills WLC0089/2
WLC0090/2

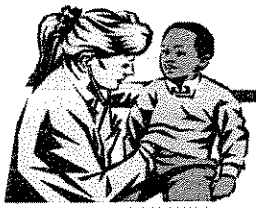
We will all benefit by making dentistry affordable and accessable to everyone.

Thankyou for paying attention to my letter.

Sincerely,

Carolyn Weidner
1123 So 25th St
La Crosse, WI
54601
(608) 788-6617

RURAL INTERDISCIPLINARY HEALTH CARE DELIVERY
ANN BRANDAU HYNEK, INSTRUCTOR
(608) 489-3833



SUPPORT
SOUTHWEST AREA HEALTH EDUCATION CENTER (AHEC)

I am writing to urge you to increase your support for the Wisconsin AHEC System and specifically Southwest AHEC. I have had the opportunity to work closely with Southwest AHEC for the past five years and have found the program to be very innovative and in touch with the needs of rural communities.

The goal of AHEC is to improve the distribution, supply, quality, utilization and efficiency of health personnel in rural underserved communities. Through a variety of grants received from Southwest AHEC, we (Juneau County) have been able to grow and develop unique opportunities that work for our local needs.

Examples of AHEC's support for local programming in Juneau County are the development of a:

- Health Careers Exploration Program for high school students to be held at the new Health Science Consortium building this summer
- Post-secondary course for Viterbo, UW-LaCrosse and WWTC students to learn about interdisciplinary health care delivery in a rural setting
- Program that allows post-secondary students to job shadow health care areas that they would not otherwise be exposed to; outside their discipline area e.g. public health, Birth-to-3, Headstart
- Community needs assessment coursework that provides university and technical college students with a real-life interactive experience in a rural community

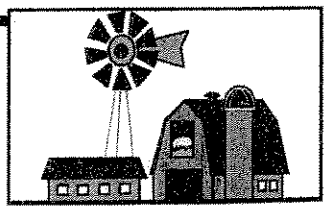
I am especially interested in seeing Southwest AHEC funded because of the shortage of health care workers in the rural areas I represent. Our local facilities are desperate for high quality practitioners and it's important that we develop strategies to recruit and retain them. Southwest AHEC helps us do that through the above mentioned programs. Their grant funding allows us to bring the students to our communities, experience a rural setting and then make an informed career choice.

In closing, I urge you to consider an increase in funding for the Wisconsin AHEC System. It's one of the few programs that actually provides funding at the local level for rural programs. We have definitely benefited from Southwest AHEC in the past and we'd like to continue our partnership in the future.

Sincerely,

Ann M. Brandau Hynek

Ann M. Brandau Hynek, M.S.S.W.



Rural health care has its own problems and reasons for survival. The big city is not the perfect model. There are technological and service availability barriers in a rural community. However, rural health care can provide a community with essential health services that can significantly impact the morbidity and mortality of rural residents from the standpoint of chronic and acute health care needs. The personal, yet private, and comfortable approach of rural health care delivery is one that patients value. It provides the healthcare provider with more personal information about the patient, which adds to the depth of the diagnosis. The patient can be better treated as a whole person, rather than a number with a specified complaint. It also provides the provider with the opportunity to see the results of their advice and treatment. This is what is so satisfying about practicing in rural health care. I look forward to practicing health care under this model.

The Rural Interdisciplinary Health Care class is one that should become part of every health care related pre-professional student's career. Especially when a school has deemed their program as one with a rural health care emphasis. The class provides direct experience for the student's chosen career and insight into other careers they will come across on a daily basis. It shows some ways to function as a team player in patient health care and illustrates barriers and benefits in rural health care. This class is a definite asset to all students who participate in this course. I thoroughly enjoyed every minute of this class, because it taught me things I would never experience in the classroom.

- Heather
(1999 Participant)

The Rural Interdisciplinary Health Care class of May term 1999 was a definite success. The class did a number of things for me. It created the perfect opportunity for me to get hands on experience in what my future career will be like. It gave me insight into services that other professionals provide. It showed me how and why I should function as a team player in my patient's health care. It also illustrated the barriers and benefits that exist in practicing rural health care. This class was the most educational class I've had in my four-year college career.

From the shadowing experience I obtained from this class, I have strengthened my decision to become a physician assistant. I have also further strengthened my decision to practice in a rural area. Up until this class, I did not have the opportunity to do any shadowing of physician assistants. This class provided me with that opportunity and encouraged me to do a lot more shadowing before applying. I understand more fully the need for an abundance of direct patient care experience going into my program. I can now see the true value of a shadowing experience and the impact that experience adds to my education and development in my program of study.

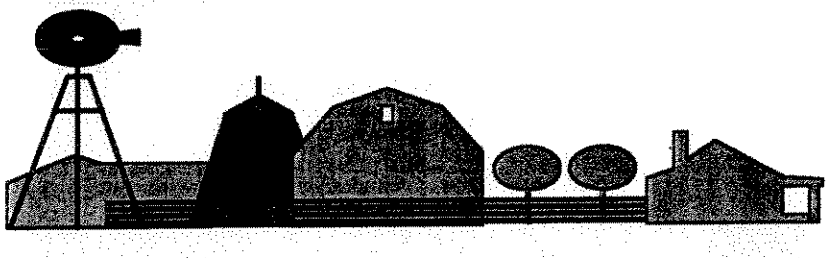
The shadowing of other professionals was also very enlightening. I witnessed some major and minor barriers in communication between health care providers. Although these barriers were not insurmountable, they need to be resolved when they arise. These barriers inhibited increased availability and satisfaction of patient's health care. Now that I have begun to understand what other professionals provide, I see the need for myself to strive to keep up to date with other services available to patients. This underscores the need for all professionals to work as a team in providing health care to their patients. We will all benefit from this model of healthcare delivery.

2000-2001 Course Offering

RURAL INTERDISCIPLINARY HEALTH CARE DELIVERY

3 credits

COURSEWORK WILL BE OFFERED IN JUNEAU COUNTY



THE UNIVERSITY OF LACROSSE, VITERBO UNIVERSITY AND WESTERN WISCONSIN TECHNICAL COLLEGE HAVE TEAMED UP TO PRESENT ALLIED HEALTH CARE STUDENTS WITH THIS EXCITING NEW COURSE! THE INTERDISCIPLINARY COURSE IS DESIGNED TO PROVIDE STUDENTS WITH A WIDE RANGE OF FUN AND EXCITING RURAL ROTATIONS. THIS COURSE WILL USE ACTIVE LEARNING STRATEGIES TO PROVIDE STUDENTS THE OPPORTUNITY TO INTERACT WITH RURAL HEALTH CARE PROVIDERS, MANAGERS AND CONSUMERS THROUGH PANEL DISCUSSIONS, INTERVIEWS AND JOB SHADOWING. ALSO, STUDENTS FROM VARIOUS DISCIPLINES WILL COLLABORATE TO DEVELOP A TEAM HEALTH SERVICE PROJECT.

Course dates/times:

(Wednesdays) April 4th and April 11th from
6:00 PM - 9:00 PM at a LaCrosse Location
May 21 - May 25 and May 29 - June 1
9:00 AM - 4:00 PM in the Juneau County Area

Why should students enroll?

- Earn three credits in two weeks during the summer
- Inter-d experiences make students more marketable
- Hear different perspectives from a variety of health care disciplines
- Learn more about rural culture, lifestyles and health care resources
- Observe/rotate with numerous providers
- Explore several different career options
- Prepare for future clinical experiences
- Learn in "real life" settings

Class size is limited to a total of 15 students from the three participating institutions

For More Information Contact:
Eric Garland, UW-LACROSSE PA PROGRAM AT 785-6620
Sue Frauenkron, VITERBO NURSING PROGRAM AT 796-3678
Doreen Olson, WWTC OCCUPATIONAL THERAPY PROGRAM AT 789-4757

ANN M. BRANDAU HYNEK

INDEPENDENT EDUCATION CONSULTANT

E15905 HWY 82 – HILLSBORO, WI 54634

PHONE (608) 489-3572 - FAX (608) 489-3833

Date: **April 2, 2001**

To: **Members of the Joint Finance Committee**

RE: **Continued Funding for Health Science Consortium**

I am writing to strongly urge you to vote to restore the funding needed to maintain the Health Science Consortium Building for the next two years. As you know, Governor McCallum proposed to fund the center at less than 25% of the amount requested by UW-LaCrosse.

As an independent education consultant, I have had the opportunity to work with several allied health faculty from UW-LaCrosse, Viterbo and WWTC. In fact, together, we developed two inter-disciplinary health care curriculums to address rural health care needs. The Health Science Consortium allowed me to literally sit together at a table with academia from 1-2 year technical and associate degree program's to master's level programs, on several occasions, to address common issues and goals. This is a true rarity in the higher education world.

Perhaps the Governor does not realize how advanced this practice of post-secondary education institutions working together really is. It rarely, if ever, happens. Not only is it happening, the faculty requested it and they are working together to create state of the art programs.

The Health Science Consortium Building allows technical and university students to learn together in the same classes. The walls of bureaucracy have been lifted to allow students to better prepare for the "real" world, where health care practitioners all must work together for the good of the patient. There are no separate buildings in a health care facility for 4-year degreed practitioners and another for technical trained staff. That mentality only exists in the educational world....until now.

Perhaps the concept is so ahead of it's time, people are fearful and do not understand the benefits. As an adjunct instructor for all three institutions, I can tell you that breaking down the barriers between programs and institutions at this level makes for more prepared and effective practitioners.

I had the opportunity to teach a course entitled "Rural Interdisciplinary Health Care Delivery" to students from the three participating institutions. All level students, in one room, in the middle of Juneau County. Students learned to value each other and the other disciplines. They learned how to work together, especially in rural America, to ensure the highest level of care with limited resources. Students had life changing experiences in the course because they were able to see the "big picture" of health care versus only focusing on their individual discipline area.

I should also mention that as we researched to prepare to deliver the interdisciplinary course, I contacted various institutions in other states to learn more about interdisciplinary health care delivery. We found no other program that made the leap to instruct between the technical and university systems. Not one, except the Health Science Consortium in LaCrosse, Wisconsin.

I feel very strongly about, not only the Health Science building itself, but this cutting edge way of doing business in the health care industry. I believe that the Health Science Consortium offers it all! Let's not take a step back in time, but rather be a leader in the area of turning out high quality practitioners. That benefits everyone!

If you would like to discuss this issue further or have any questions regarding my association with the Health Science Consortium, please feel free to contact me via email at annbh@mwt.net or at (608) 847-4410 ext. 470.

I have also attached copies of the flyers we have used to recruit students to participate in the two rural interdisciplinary courses the consortium helped to develop. Both courses will be offered at rural locations this summer.

Thank you for allowing me to share my thoughts and concerns.

2000-2001 Course Offering (Spring/Summer)
Earn three credits in two full weeks - Class runs from May 21 - June 1, 2001

Health Care in Rural America

Interdisciplinary, Experiential Learning Experience
(3 Credits)

Learn, first-hand, how to work effectively in a rural interdisciplinary setting in this exciting new course! Health Care in Rural America not only allows you to experience a community health care system but also makes you extremely marketable in a managed care era!

Course offered in a rural location!

For More Information Contact:
YOUR CAMPUS ADVISOR OR

Eric Garland, UW-L PA PROGRAM AT (608) 785-6620

Sue Frauenkron, VITERBO AT (608) 796-3678

Doreen Olson, WWTC OTA PROGRAM AT (608) 789-4757

Roberta Gelatt 1408 King Street, La Crosse, WI 54601

April 3, 2001

To: Joint Finance Committee

From: Roberta Gelatt

Re: Need for Health Science Center to Provide Affordable Dental Care in La Crosse

As a member of the Board of Directors of the La Crosse Community Foundation from 1989-1999 and a continuing member of the Community Needs Committee of that foundation, I listened to repeated requests to address the problem of lack of affordable dental care for the uninsured in the greater La Crosse area.. Small unmet dental needs often led to serious problems which were treated by emergency facilities. Despite the presence of the St. Claire Health Mission to address medical needs, and the good intentions of dentists , dental students, and dental societies in the area, there did not seem to be a predictable solution to the prevention and care of dental needs until the Allied Health Center began to coordinate facilities and personnel. The Allied Health Center is an important community asset and I hope you will consider its importance to the greater La Crosse community when in the upcoming state budget. Thank you.

Roberta Gelatt

LE OSTRANDER
N7305 CTH-M
Holmen WI 54636

TO: Wisconsin State Finance Comm.
From: Holmen Area Foundation, Holmen WI (HAF)

Subject: STP DISCRETIONARY Program

The HAF urges continued funding of the STP Discretionary Program to assist the development of alternative transportation/ bicycle and pedestrian routes.

The HAF have voted to support a community effort to establish a link between Holmen and the Great River Trail. In the year 2000 this project was rated # 2 for funding but only dollars were sufficient for the #1 project.

This project also saw the support of local government in that the Village of Holmen and the Town of Onalaska agreeded to co-sponsor the trail grant application.

Whether Holmen's application will receive a favorable consideration again is unknown. The importance of this financial support to these local transportation programs is critical to the enhancement of our communities and should continue at past levels.

Thank You
Lyle E Ostrander
Member Holmen Area Foundation

WISCONSIN
PRIMARY HEALTH CARE
ASSOCIATION

Good morning. My name is Bob Jecklin. I am the Executive Director of the Scenic Bluffs Community Health Center in Cashton. Scenic Bluffs operates primary care delivery sites in Cashton and Norwalk and dental care sites in Cashton and La Crosse.

I am also the Board President of the Wisconsin Primary Health Care Association. In that capacity, I come before you to provide comments on several state budget provisions – the State Community Health Center Grant Program, Breast and Cervical Cancer Treatment, the Tobacco Control Board, Prescription Drug Benefits, and the BadgerCare program.

Support $6 million for State Community Health Center Grant Program

Wisconsin's federally funded Community, Migrant and Homeless Health Centers provide primary health care services (medical, dental, and mental health care) to almost 100,000 men, women and children in our state. We provide care to all who live in our service areas, regardless of insurance status or ability to pay. Wisconsin's Health Centers make up the core of health care providers who serve populations in need, whether they are geographically, linguistically, culturally or financially isolated from traditional health care services.

During the last biennium, the Health Centers received an unprecedented $5.5 million to increase access to health care services for thousands of state residents. Governor McCallum's budget proposal includes $6 million in Department of Health and Family Services base funding for the State Community Health Center Grant Program. We ask for your support for this budget recommendation.

- Community Health Centers have comprehensive primary and preventive care services at one location and offer on-site enrollment opportunities for Medicaid and BadgerCare. State funding supports a one-stop shopping model for health services and benefits.

- Community Health Centers eliminate barriers to health care services for thousands of people. They provide primary care access points in 36 counties – reducing geographic barriers; they have bilingual health care providers – reducing cultural and linguistic barriers; and they have a published sliding fee scale – reducing financial barriers.

With the previous years' funding, Community Health Centers were able to expand health care services, facilities and staff, support health education programs, expand dental facilities, support mental health and substance abuse programs, and offer linguistic and cultural training opportunities for staff. State funding in this budget will allow for the expansion of direct health care services, training opportunities and improved patient care in the coming years.

Please support Governor McCallum's budget request for $6 million for the State Community Health Center Grant Program.

5721 Odana Road, Suite 105
Madison, WI 53719

Phone: (608) 277-7477
Fax: (608) 277-7474

Email: wphca@wphca.org
www.execpc.com/~wphca

Support Breast and Cervical Cancer Treatment Program and Include Presumptive Eligibility

The Association supports the Governor's plan expanding Medicaid to provide treatment services for uninsured women under aged 65 who have been screened and found to be in need of treatment for breast or cervical cancer.

Further, we request that the State adopt Presumptive Eligibility. Presumptive Eligibility is a Medicaid option that removes barriers to enrollment by allowing applicants with a high probability of eligibility to get immediate health care services while their applications are filed and processed. This will allow women diagnosed with breast or cervical cancer in need of immediate care and treatment to receive it without waiting, sometimes weeks, for formal acceptance into the Medicaid program. In this program, Presumptive Eligibility can mean the difference between life and death.

Support Tobacco Control Board Funding

The Association is pleased that Governor McCallum has maintained funding for the Wisconsin Tobacco Control Board and recognizes the need for a long-term commitment to tobacco control. The proposed $33.2 million for the biennium to tobacco prevention recognizes the need to invest in efforts to reduce the death and disease caused by tobacco use. However, a significant return on the investment in tobacco prevention will only be realized when such efforts are funded within the levels recommended by the U.S. Centers for Disease Control and Prevention ($31 to $82 million per year). We support increasing funding to at least the CDC minimum level.

Include Prescription Drug Assistance Program

The Association supports plans to create a Medicare prescription drug benefit and urge that it be accessible and affordable for as many people as possible, and at a minimum, for low-income Medicare beneficiaries. We ask that any state plan recognize and support the continuation of existing programs that make medication affordable to low-income individuals, especially those programs offered at Federally Qualified Health Centers through federal drug purchasing programs.

The Governor's budget also requires the Department of Health and Family Services to collect and disseminate information on areas of Wisconsin that might be eligible for Federally Qualified Health Center status. We support this provision and ask that it be shared with communities and others interested in expanding access to a wide range of primary care services, including reduced cost prescription drug benefits. We look forward to working with the State to expand the network of primary care providers who serve all regardless of insurance status or ability to pay.

Support and Maintain BadgerCare Program

We support the Governor's funding recommendations for the BadgerCare program. However, we ask the Legislature to delete his proposal to extend, from three months to six months, the BadgerCare eligibility waiting period for a family that has lost access to employer-subsidized health care coverage. Please maintain the three-month waiting period contained in current law.

Thank you for the opportunity to testify. I would be happy to answer any questions.

ALZHEIMER'S® ASSOCIATION
Someone to Stand by You

RIVERLAND CHAPTER
115 Fifth Ave. South, Suite 421 LaCrosse, WI 54601-4018
Office (608) 784-5011 Helpline (800) 797-1656 FAX (608) 784-4428

Wisconsin Legislature's Joint Finance Committee

I'm Greg Larkin, President of the Board of the Riverland Chapter of the Alzheimer's Association.

The Riverland Chapter services seven counties in West Central Wisconsin and it is for these families confronted with Alzheimer's that I ask for the committee's attention.

Not only for those here in West Central Wisconsin, but also for the estimated 100,000 other Wisconsin Families affected by Alzheimer's. 100,000 Wisconsin families.

In 1985, AFCSP—the Alzheimer's Family Caregiving Support Program--was created to help families earning up to $40,000/year, the average middle class family, families who are giving care in their home to a family member with Alzheimer's.

AFCSP provides up to $4,000 per year for respite services—as adult day care, in-home help and other related services. Yet, the average grant through AFCSP is much less, only $1,500 per year. Even $1,500 is enough to make a difference--the difference of keeping a loved one at home as opposed to placing them in a care facility.

However, in the last budget, AFSCP was rolled into FamilyCare—a seemingly good approach—but we realized that the eligibility level of FamilyCare is less than $20,000. The result of this action was that the middle class families of Alzheimer's patients earning $20.000 to $40,000 were left without any assistance—left out in the cold.

Looking at the big picture of the State budget, the AFCSP, the Alzheimer's Family Caregiving Support Program is little at only $2.3 million.

What we're requesting is simply to have the AFCSP be maintained at the original levels so those now disenfranchised families earning between $20,000 and $40,000 will be eligible for assistance.

It is a small item in a large complicated budget.

And maybe our voices are distant, small voices—still, we ask your attention to hear us. For your committee is the hope of those struggling to keep their loved ones at home.

Your action is the action that will provide the needed respite for our Wisconsin families affected by Alzheimer's.

AREA HEALTH EDUCATION CENTER SYSTEM
WISCONSIN

Joint Finance Committee Budget Hearing Testimony
3 April 2001

Good morning Co-chair Gard, Co-chair Burke, and members of the committee. I am Joel Davidson, Executive Director of the Southwest Wisconsin Area Health Education Center, a 23-county area which includes LaCrosse. Thank you for the opportunity to speak to you today about the ways in which Southwest AHEC and the AHEC system benefit Wisconsin's communities and citizens, its health professions students and academic institutions, and health care professionals. As you can tell already, I am here to speak in support of an increase in funding for the Wisconsin Area Health Education Center (AHEC) System.

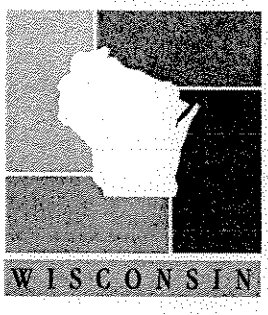
The Wisconsin AHEC system, is part of a national program begun in 1970 to improve the accessibility and quality of primary health care. The program was designed to encourage academic institutions and educators to look beyond their campuses and partner with communities in projects that promote cooperative solutions to local health problems. The Wisconsin AHEC system, which is comprised of four regional AHECs in Wausau, Madison, Milwaukee, and Kenosha, and the state AHEC Office now located at the UW Medical School, works to improve the training, supply, distribution, and quality of health care professionals in Wisconsin, thereby improving access to health care in the state's rural and underserved areas. Additionally, the AHEC Board identified four areas for statewide initiatives in 1999. These are:

Oral Health/Access to Dental Care
Telecommunications Access Initiatives
Innovative Partnerships with Local Health Departments
Healthcare Workforce Development

The Governor's budget proposes $1,158,00 in each year of the next biennium. **The AHEC system request is for $1.5 million.**

Southwest Wisconsin Area Health Education Center (SWAHEC)
1300 University Ave. • Room 212 • Bradley Building
Madison, WI 53706
(608) 265-9510 • FAX (608) 265-0630

Wisconsin Area Health Education Center System
1300 University Ave. • Room 203 • Bradley Building
Madison, WI 53706
(608) 265-6323 • FAX: (608) 265-5995



AREA
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SYSTEM

For Southwest Wisconsin AHEC(SWAHEC), the 1999-2000 program year further built on the community-based and academic partnerships that have been our hallmark. Working with communities and academic partners throughout our region, SWAHEC supported initiatives in many areas that cover some of the most important healthcare issues in Wisconsin today: **dental health care** projects in La Crosse and at Scenic Bluffs Community Health Center will support training of dental hygienists and enable the delivery of dental services to the underserved, and the writing of a grant to develop a dental residency program; support of **Rural Training Track** residency programs that extend training in rural areas for family practice residents and give them intensive exposure to the opportunities and challenges of rural practice; an **agricultural health and safety project** that involves three central Wisconsin counties'(Sauk, Juneau, Adams) public health departments and their local community hospitals, **interdisciplinary learning** for health professions students from LaCrosse area colleges who went to rural Juneau county, several projects working with the **LaCrosse County Public Health Department and Viterbo College's School of Nursing**, and **expanding computer technology and training to rural health care sites** to help them use Web-based information for the benefit of their patients and to become better training sites for health professions students. You will hear from some of these partners today how SWAHEC support has made a difference in their programs.

We can confidently say that SWAHEC is making a positive impact. More examples of these impacts are included in our annual report that I've distributed. During the next year, we will build on some of these initiatives and develop new ones. Already we know that critical healthcare workforce issues face Wisconsin. With projections of over 8,100 new health care workers needed annually(not including dentists, dental hygienists, physicians, Nurse Practitioners, and Physician Assistants) in the 1996-2006 period, and beyond, due to the increasing age of the health care workforce and elderly population, (examples: about 975 new RNs needed annually, 341 LPNs, 100 new Occupational Therapists, 100 new Physical Therapists, 3,500 lab and other specialties) **SWAHEC and the AHEC system have begun developing statewide partnerships and projects to start informing middle-and- high school students, their parents, and others about the career opportunities in health care.**

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As an example, **SWAHEC is sponsoring, in partnership with Prairie du Chien Memorial Hospital, a Summer Health Careers Camp**, from July 15-20 at the new Health Science Consortium on the UW-LaCrosse campus. 20 students will be have the chance to explore 30 health career opportunities with the generous cooperation of our academic and community partners from UW-LaCrosse, Viterbo College, Western Wisconsin Technical College, Gundersen Lutheran Hospital, and Franciscan Skemp Healthcare System. And what does it cost us to do this--$150 per student for the experience. I have distributed to you a brochure describing this unique experience. We expect to grow this program to 50-75 students in the future and to develop weekend camps for middle school students and teachers. We are excited about being able to provide this opportunity.

We have also begun the Wisconsin Healthcare Workforce Coalition which works with various government, employer, and professional groups to develop broader support for health professions programming in the schools, articulation of career opportunities for health care workers, and forum for discussing policy issues affecting development of an adequate health care workforce for Wisconsin. Four of the partners(SWAHEC, WHA, WNA, and RWHC) have provided start-up money for the **production of a statewide campaign to inform students, their parents and teachers, about the terrific opportunities available in health care careers.** This **campaign includes 30-second TV ads** to be shown in Wisconsin's six major TV markets, **a 6-minute video about health care careers to be distributed to all of Wisconsin's public middle and high schools**, which SWAHEC will fund, **a brochure** describing the exciting and challenging careers choices in health care with a tear-off card that can be sent to the AHEC system for more information about health care academic programs in Wisconsin, **a toll-free line** to get more information, and web-based links to the four-year and technical college programs, and to the exceptional **health careers information found on the Northern Wisconsin AHEC website.**

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What else? **distance education projects** like the one in partnership with Madison Area Technical College that put a Medical Lab Tech course on the web for students in rural southwest Wisconsin who can't get to the MATC campus, but will allow them to continue their education and stay in underserved rural areas; a **project working with the Hispanic community in Dane county to understand the needs and barriers they face when needing medical services** and to assess the needs and availability of bilingual medical personnel; **partnering with the UW School of Nursing and the Office of Rural Health to assess the training needs of nurses in Critical Access Hospitals and developing and delivering training materials** to them; **providing technology enhancement support** to the RWHC to help them upgrade their communications and training with member hospitals; and **conducting initial computer and internet training with 18 rural health care partners** in advance of a 2-year National Library of Medicine grant we were recently awarded.

As you can see, our programs cover many critical health care issues facing Wisconsin today. **Our greatest strength lies in being able to bring together resources, communities, academic institutions, and other organizations to meet these critical needs through education and training, developing and delivering services, and through enhancing technology. And we do this with limited staffs and very limited budgets.** What has impressed me most since becoming Executive Director is how we can leverage our rather limited resources and support these important projects and initiatives. **Just think about how much more we could do if we had the full $1.5 million being requested for the state AHEC system.**

Thank you for allowing me to speak on behalf of the AHEC system. I am available to answer any questions you may have.

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Students may explore these careers this summer

Health careers featured in this summer's camp may include these areas as well as others:

- Community/Public/School Health Education
- Electroneurodiagnostic Technology
- Health Information Technology
- Health Unit Coordinator
- Medical Assistant
- Medical Laboratory Science
- Nuclear Medicine Technology
- Nursing
- Nursing Assistant
- Nutrition/Dietetics
- Occupational Therapy Assistant
- Physical Therapy
- Physician Assistant
- Radiation Therapy
- Respiratory Care Practitioner

For additional information

Please contact:

Cheri Leachman
Community Education Coordinator
Prairie du Chien Memorial Hospital
705 E. Taylor St.
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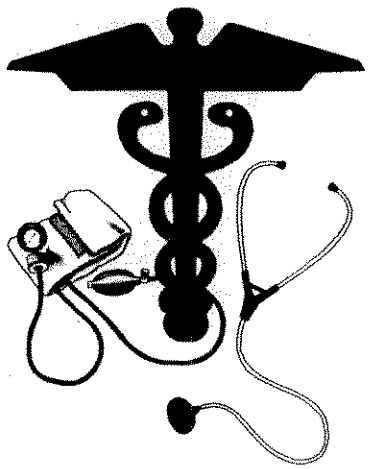
Southwest Wisconsin Area
Health Education Center

PRAIRIE DU CHIEN MEMORIAL HOSPITAL

La Crosse Medical Health Science Consortium, Inc.
University of Wisconsin - La Crosse · Western Wisconsin Technical College · Viterbo University, Inc.
Gundersen Lutheran Medical Center · Franciscan Skemp Healthcare/Mayo Health System

Health Careers Summer Camp 2001



July 15 – July 20
Campus of UW–La Crosse
La Crosse, Wisconsin

Sponsored by
Southwest Wisconsin Area Health Education Center
Prairie du Chien Memorial Hospital

Health Careers Summer Camp

An opportunity for high school students to explore career choices in health care

This program will showcase health careers

Today, students have many more career choices available to them than their parents had. And one of the most exciting and rewarding careers is one in health care.

For students looking to make a difference in people's lives and who like working with new technologies, a health care career may be just the right fit. And where better to find out about health careers than a week at Health Careers Summer Camp?

Southwest Wisconsin Area Health Education Center (SWAHEC) and Prairie du Chien Memorial Hospital are proud to sponsor this camp to allow students to experience first-hand the challenges, opportunities, and rewards of a variety of health professions.

What the camp offers

Selected students will live on the campus of UW–La Crosse, shadow college-level students as they attend classes and perform in a clinical setting. In addition to this, they will have the opportunity to speak to representatives from various health careers, not only in a classroom setting, but as they function in their daily role of health care practitioners.

Certified instructors and trained professionals will conduct classes in CPR, Diversity Awareness, and Leadership Skills.

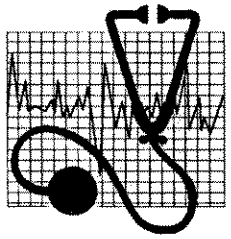
A cooperative effort

This unique program is made available through the cooperation of Prairie du Chien Memorial Hospital, SWAHEC, and the La Crosse Medical Health Science Consortium, Inc. (a cooperative venture of University of Wisconsin – La Crosse, Western Wisconsin Technical College, Viterbo University Inc., Gundersen Lutheran Medical Center, and Franciscan Skemp Healthcare/Mayo Health System). The consortium represents over 30 health career programs that will be showcased as part of the Health Careers Summer Camp.

Many of the classes will be held in the newly constructed Health Science Center, a multi-disciplinary facility jointly-owned and operated by the consortium members.

Who can attend? What does it cost to participate?

The program is open to any student from Southwest Wisconsin who will be in high school by the fall of 2001. There is no cost to participate. All meals, lodging expenses, and other program costs are provided by sponsoring agencies. Chaperones will be on-site at all times.



All eligible students, and their parents, must complete an application. They may be obtained from your local guidance counselors, or by contacting the address listed on the back.

Applications must be completed and received by April 15, 2001. This year's enrollment is limited to 20 students. Selection is based upon the student's application, letters of recommendation and the student's essay.

We are very proud to offer this first-of-a-kind career exploration opportunity. You will be very proud to be a part of Health Careers Summer Camp.