2003 Joint Committee on Audit

Physician Office Visit Data

03hr_JC-Au_Misc_pt11a through pt11b

WISCONSIN
STATE
ASSEMBLY

SHELDON
WASSERMAN
STATE REPRESENTATIVE

July 14, 2004

JUL 16 2004

Senator Carol Roessler and Representative Suzanne Jeskewitz
Co-chairs, Joint Committee on Audit
State Capitol, interdepartmental mail

Dear Senator ~~Roessler~~ Carol and Representative ~~Jeskewitz~~ Sue:

I am writing to request an audit of the Bureau of Health Information (BHI) within the Department of Health and Family Services, with a particular focus on the Physician Office Visit Data (POVD) program.

BHI tracks, gathers and produces reports on various health statistics, vital records and other health care information relative to Wisconsin citizens and the state's providers of health care. As you will recall, six years ago the legislature passed a bill to expand Wisconsin's data collection efforts to include information on physician office visits. BHI was designated to implement POVD collection, which is funded by program revenue. And more recently via the 2003-2004 budget bill, a private entity, the Wisconsin Hospital Association, was charged with collecting and reporting information on hospital and ambulatory and surgery data.

It is my understanding that the POVD program has employed as many as 8 full-time people and has spent over $5 million since its inception. According to the program's website, "following a data quality assessment and improvement process, BHI will create public use data files, standard reports, custom data files and reports, and Web-based information products similar to those it produces from hospital inpatient discharge data and ambulatory surgery data. The first public release of data is projected to occur sometime in 2003." Yet to date, no data has been released.

I feel very strongly that an audit is warranted at this time. There are several prudent questions that need to be answered:

1.) How is the PR funding being spent and why are so many FTEs required to run the program? Has BHI funded other programs with POVD money and how did it spend money from the hospital data program? Is/was this consistent with Chapter 153.60(1), which requires all revenue to be used solely for Chapter 153 data collection programs?

2.) Have there been any questions or changes relating to Board on Health Care Information (BHCI) votes on the bureau's budget? Was there any review by DHFS budget staff of the budget prior to its submission to the board? Did DHFS ever ask for new technology that was rejected by BHCI? Were new positions requested and subsequently turned down by BHCI?

(continued next page)

MADISON:
POST OFFICE BOX 8953
MADISON, WISCONSIN 53708
(608) 266-7671
TOLL-FREE NUMBER: 1-888-534-0022
FAX: (608) 266-7038
E-MAIL: rep.wasserman@legis.state.wi.us
WEB PAGE: http://www.legis.state.wi.us/assembly/asm22/news/

HOME:
3487 NORTH LAKE DRIVE
MILWAUKEE, WISCONSIN 53211
(414) 964-0663

3.) It is interesting to note that the Wisconsin Hospital Association's similar data collection effort is up and running after less than a year, with fewer employees. What other private sector initiatives and additional government regulations have come along that are in effect duplicating what BHI does?

4.) What is the true cost to the health care providers that are required to submit data under the POVD program, both in infrastructure development (to transmit the data) and program fees? What efforts has BHI made to determine the needs of data consumers and maximize sales so as to minimize the assessment burden on providers?

5.) When the data is finally released, how can it be used given the privacy statutes? What specific oversight is in place to guarantee patient confidentiality and what is the legal basis for this? How does BHI ensure that data it releases is not re-released or is otherwise used inappropriately? How has the POVD program acknowledged the impact of HIPAA privacy regulations on its original goals?

6.) Advocates have consistently argued they want to be able to measure quality from POV data. How have the current methodology and expenses achieved those goals? What is the validity of the collected data (not just technical reliability)? What questions is the program attempting to answer for consumers? How are the data translated into useful information in order to help physicians improve? If there are no specific questions to be answered, how is an appropriate risk adjustment method selected?

7.) How were hospital data requests processed? What process was used to determine if the request could be legally accommodated? How many requests have been received? How many were denied? Why were they denied?

8.) How was the cost for fulfilling these data requests determined? Is there an invoicing system that can document the amount of staff time involved, the details of each data request, and the total charge for each? Has any data been given away?

In my opinion the POVD program has clearly not lived up to expectations. The questions posed above should have been answered long ago, and must be answered before the Legislature entertains any new government-run health care data programs. I believe the POVD program should be discontinued and any unused PR funds put into the general fund. At the very least it and BHI should be subjected to an independent audit.

Thank you for your time and consideration. I look forward to your response.

Sincerely,

Sheldon A. Wasserman, M.D.
State Representative
22nd District

SW.so

WISCONSIN STATE LEGISLATURE

Joint Audit Committee

Committee Co-Chairs:
State Senator Carol Roessler
State Representative Suzanne Jeskewitz

August 10, 2004

Representative Sheldon Wasserman
111 North, P.O. Box 8953
Madison, WI 53708

Dear Representative Wasserman:

We received the request that you recently submitted to the Joint Audit Committee. This letter serves as confirmation of that request.

Each request submitted receives serious consideration. As conscientious legislators, we all welcome new ways to do things less expensively or more efficiently. We, as co-chairs of the committee, aim to meet once a month to discuss all requests. Shortly after the meeting, one of us will follow-up with you directly to let you know the status of your request.

Thank you again for your request and we will be in touch soon.

Sincerely,

Senator Carol Roessler
Co-chairperson
Joint Legislative Audit Committee

Representative Suzanne Jeskewitz
Co-chairperson
Joint Legislative Audit Committee

SENATOR ROESSLER
P.O. Box 7882 • Madison, WI 53707-7882
(608) 266-5300 • Fax (608) 266-0423

REPRESENTATIVE JESKEWITZ
P.O. Box 8952 • Madison, WI 53708-8952
(608) 266-3796 • Fax (608) 282-3624

WISCONSIN HOSPITAL ASSOCIATION

AUG 02 2004

The Valued Voice

July 30, 2004 Volume 48, Issue 29

Wasserman Wants Audit of Bureau of Health Information (BHI)

Physician Office Visit Data (POVD) Program Main Target

The week of July 19, State Representative Sheldon Wasserman (D-Milwaukee) made a formal request of the legislature's Joint Audit Committee to authorize an audit of the Bureau of Health Information (BHI).

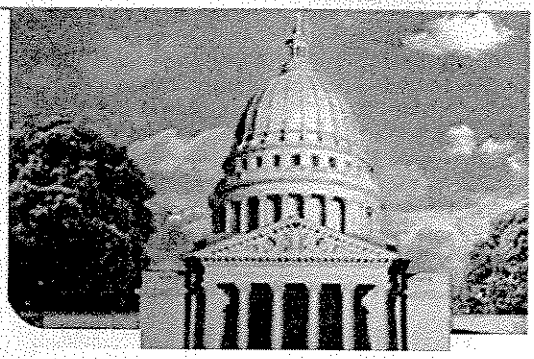
In a July 16 letter to Audit Committee co-chairs Sen. Carol Roessler (R-Oshkosh) and Rep. Sue Jeskewitz (R-Menomonee Falls), Wasserman stated: "As you will recall, six years ago the Legislature passed a bill to expand Wisconsin's data collection efforts to include information on physician office visits ... It is my understanding that the Physician Office Visit Data (POVD) program has employed as many as eight full-time people and has spent over $5 million since its inception. Yet to date, no data has been released. Before the Legislature entertains any new government-run health care data programs, there are many questions that must be answered about POVD." Wasserman is the Legislature's only physician and the ranking member of the Assembly Committees on Health and Public Health.

"Given our successful experience with privatizing the collection of hospital data and what we have learned in that process, we think it could be a very enlightening examination," said WHA President Steve Brenton. "We fully support Rep. Wasserman's request and hope the Joint Audit Committee will approve it."

Wasserman's request includes a list of eight detailed questions about BHI, including: how hospital and physician assessment money has been spent; what has been the cost to providers to implement the programs; how has BHI processed data requests; how has BHI complied with strict state privacy laws; what has been the budgeting oversight role of the Board on Health Information; how were/are prices determined for data that is sold and has any information been given away. *(To view a copy of Rep. Wasserman's letter and press release, visit the WHA web site at www.wha.org)*

"POVD was enacted by the legislature six years ago in a very contentious battle that many current legislators were not here to witness," said WHA's Eric Borgerding. "Some would rather forget

continued on page 2



TABOR: Gratefully Dead

Eric Borgerding
WHA Senior Vice President

The first half of this week was, without question, one of the strangest, most tumultuous 72 hours recorded under the marble big top (aka the State Capitol). In the center ring was, once again, the "Taxpayers' Bill of Rights" (TABOR), a proposed constitutional amendment to limit state and local government spending. The main act was a last ditch attempt to ram TABOR through the Legislature before the curtain (finally) draws on the 2003-04 legislative session. As with any amendment to the state constitution, TABOR requires passage by two successive sessions of the Legislature, followed by voter approval in a statewide referendum.

If you are thinking "Didn't TABOR already die?" — well, yes it did, when the Legislature failed to adopt the necessary joint resolution in May. But on Monday, July 26, Senate Majority Leader Mary Panzer (R-West Bend) surprised everyone by bringing TABOR back to life, agreeing to reconvene in extraordinary session and try again to give the measure its first of two required votes in the Legislature.

This week, newspapers (and now editorials) statewide have been filled with excerpts from the not so happy

continued on page 2

Board Chair: Charles Shabino, MD Community Health Care, Inc. **Editor:** Mary Kay Grasmick, V.P. Communications - mgrasmick@wha.org
5721 Odana Rd P.O. Box 44992 Madison, WI 53744-4992 **P** (608.274.1820) **F** (608.274.8554) **wha.org**

continued from page 1 . . . Wasserman Wants Audit of BHI

about it, but given its history and with so much legislative interest in, and hearings on, health care information 'transparency,' this audit should be embraced. These are valid questions we should learn from."

"In my opinion the POVD program has clearly not lived up to expectations," Wasserman said in his letter. "The questions posed should have been answered long ago, and must be answered before the Legislature entertains any new government-run health care data programs. I believe the POVD program should be discontinued and any unused program revenue funds put into the general fund. At the very least, it and BHI should be subjected to an independent audit," Wasserman wrote.

"If this audit is not approved, we would also support efforts to hold informational hearings in the Legislature," Borgerding said.

WHA joins other health care groups in supporting the audit request.

continued from page 1 . . . TABOR: Gratefully Dead

"Tale of TABOR." To make a long story short, it became apparent on Tuesday (July 27), and crystal clear on Wednesday (July 28), that there were not enough votes in the Republican-controlled Senate to pass TABOR. Senator Panzer confirmed this at a Wednesday afternoon press conference, and pulled the plug. TABOR was dead ... again.

Senators Mike Ellis (R-Neenah) and Ron Brown (R-Eau Claire) were the first in the majority party to say no to TABOR at this time. They were followed by Senators Dale Schultz (R-Richland Center) and Carol Roessler (R-Oshkosh). It is believed all 15 Senate Democrats would have opposed TABOR.

WHA's opposition to TABOR this week is exactly the same as it was during round one -- Wisconsin has some of the worst Medicaid reimbursement rates in the country without TABOR, how low would they go with TABOR? Last week, we reported MA payments to hospitals have dipped to 59 percent of cost, which translates into a $264 million "hidden tax" on health insurance premiums.

"This is not a partisan issue; we have no qualms with the notion of limiting taxes and spending," said WHA President Steve Brenton on May 7. "However, TABOR comes at a time when the state is already chronically underfunding its own health care programs, particularly Medicaid, and passing those costs on to employers and employees."

WHA lobbyists spent three solid days in the Capitol this week communicating that message. But as is ALWAYS the case, what we say cannot be *heard* without the help of our members.

Our gratitude goes to those who responded to WHA's urgent requests for grassroots action and picked up the phone on literally a moment's notice to personalize and deliver WHA's message and reasons for opposition. Your targeted efforts, focused almost entirely on the four "NO" voting GOP Senators, paid off ... Thank you!

Bottom line: Despite all the hoopla, hand ringing, TV cameras in the Capitol, and fist pounding speeches, the votes were not there to pass TABOR. They were certainly not there in the Senate, and we will never know if it would have passed the Assembly. *(To see a list of those in the Assembly who said they would have supported TABOR, visit the WHA web site at: www.wha.org)*

Will TABOR be back? Those who support it, guarantee it. But even if the Legislature's high priests successfully raise TABOR from the dead next session (which begins January, 2005), it cannot go to a necessary statewide referendum until April of 2007 – and in politics, a whole lot can change in 33 months.

For more information on TABOR, including a record of groups that support and oppose, visit WHA's web site at www.wha.org.

Wisconsin Medical Society

Your Doctor. Your Health.

August 6, 2004

Senator Carol A. Roessler
Co-chairperson, Joint Audit Committee
8 South – State Capitol
Madison, WI 53702

Representative Suzanne Jeskewitz
Co-chairperson, Joint Audit Committee
314 North – State Capitol
Madison, WI 53702

Dear Senator Roessler and Representative Jeskewitz:

The Wisconsin Medical Society, with 10,000 members throughout the state, respectfully requests that you support Rep. Sheldon Wasserman's request for an audit of the Bureau of Health Information and the Physician Office Visit Data (POVD) program. An audit would be in the best interests of patients across Wisconsin.

The Society is very concerned that the $3.15 million collected in POVD assessments since FY 2000-01 has failed to result in anything useful to help patients compare the true costs associated with health care. We continue to believe that bad data is worse than no data at all; the latter is simple ignorance, but conclusions based on the former could actually be more harmful to consumers than helpful.

You both have been stellar advocates for patients and physicians. You also guard the taxpayers' wallets whenever examining government-run programs. Questions surrounding the POVD program touch on both of these areas, so the Joint Audit Committee appears to be the perfect forum for an in-depth discussion of the program's merits and faults so far. Tremendous advances in quality outcomes and disease management have been made in the last five years as well, so this would give you a chance to compare public and private sector initiatives and the return on investment using both models.

Thank you for your attention to this request. As always, please feel free to contact me or Mark Grapentine at any time (442-3800) if you have any questions about POVD or any other physician-related issue.

Sincerely,

Alice O'Connor
Senior Vice President

xc: Members, Joint Audit Committee

330 East Lakeside Street • PO Box 1109 • Madison, WI 53701-1109 • wisconsinmedicalsociety.org •
Phone 608.442.3800 • Toll Free 866.442.3800 • Fax 608.442.3802

Dean
HEALTH SYSTEM

October 21, 2004

The Honorable Senator Carol Roessler
Co-chairperson, Joint Committee on Audit
State Capitol, Room 8 South
P. O. Box 7882
Madison, WI 53707-7882

The Honorable Representative Sue Jeskewitz
Co-chairperson, Joint Committee on Audit
State Capitol, Room 314 North
P.O. Box 8952
Madison, WI 53708

Dear Senator Roessler and Representative Jeskewitz:

As the recently appointed Chairperson of the Board on Health Information, I have reviewed the history of the board and its duties, as well as its progress and that of the Bureau on Health information. At the October 5th meeting, the Board decided to undertake a strategic planning process to chart its future course.

Members of the Board believe this process is necessary and timely for a few reasons. First, in a difficult budget environment, the function of the Bureau (and thus the Board) has come under more intense scrutiny. This was epitomized in Governor Doyle's proposal (not enacted) to eliminate the Physician Office Visit Data program (POVD) in his 2003-05 biennial budget recommendations. Second, in recent years there has been great progress made in the private sector in collecting and distributing relevant quality and cost data. Such efforts include the privatization of the hospital data program within the Wisconsin Hospital Association (WHA) and the creation and rapid growth of the Wisconsin Collaborative on Healthcare Quality (WCHQ).

Additionally, Representative Sheldon Wasserman, MD, recently submitted a request to audit the POVD program. We are very interested in your views of this request. Such an audit may help guide our efforts and provide direction for the Board. If the audit were to find shortcomings and/or provide recommendations for improvement, the Board would be in a strong position to address those issues, both in the near term and the long term.

I am more than happy to discuss this in person. I can be reached directly at (608) 250-1051. You may also contact our Director of Governmental Affairs, Michael Heifetz, at (608) 250-1225. We look forward to working with you!

Sincerely,

Kevin R. Hayden
President and CAO

WISCONSIN HOSPITAL ASSOCIATION, INC.

OCT 25 2004

October 22, 2004

Senator Carol Roessler
Room 8 South
State Capitol
P.O. Box 7882
Madison 53707-7882

Representative Sue Jeskewitz
Room 314 North
State Capitol
P.O. Box 8952
Madison 53708

Dear Senator Roessler and Representative Jeskewitz:

I wish to convey WHA's support for Representative Wasserman's requested audit of the Bureau of Health Information (BHI).

BHI is charged with implementing the Physician Office Visit Data program (POVD) and, prior to January 1, 2004, the hospital inpatient and freestanding ambulatory surgery center data program.

Given that 55 members of the 2003-04 Legislature were not in office when POVD was enacted, including three members of the Audit Committee, an audit will yield valuable information about this program and others that have been administered by the state.

When enacted in 1998, POVD was, to say the least, a controversial program. Numerous questions were raised during the debate as to its value/utility versus cost to implement, including several millions of dollars in physician assessments and implementation costs for health care providers. After initial passage, follow-up legislation was necessary to provide additional funding ($250,000 GPR) and, more importantly, assure that adequate safeguards were in place to protect individual medical records and patient privacy.

These were valid issues during the debate six years ago; they hold even more significance today. The suggested questions contained in Representative Wasserman's request address these issues, particularly those relating to patient privacy.

5721 Odana Rd P.O. Box 44992 Madison, WI 53744-4992 P (608.274.1820) F (608.274.8554) wha.org

Access to timely, reliable and useful information is becoming an important piece of the health care reform puzzle. Several private sector efforts to collect and publicly disseminate information about health care provider cost and performance are breaking new ground in this area. WHA's CheckPoint, the Wisconsin Collaborative for Health Care Quality, and the privatization this year of hospital data collection are a few very successful examples. As these and other private sector data efforts flourish, the question before lawmakers is what role shall government continue to play in this area. An audit of POVD, as well as other data programs previously administered by BHI, will help answer that question.

To our knowledge, there has never been a formal or significant performance review of the POVD program, or of any health care data programs administered by BHI, past or present. Before the legislature entertains any new state-run or mandated data programs, it is absolutely critical, and simply reasonable, to understand and learn from experience and past performance of existing programs. An audit of BHI will help do just that.

On behalf of WHA, I respectfully request that you give favorable consideration to Representative Wasserman's request.

Sincerely,

Eric Borgerding
Senior Vice President

-----Original Message-----
From: Michael Lischak_MD [mailto:mlischak@columbia-stmarys.org]
Sent: Monday, November 01, 2004 4:27 PM
To: Sen.Roessler
Subject: Physician Office Visit Data (POVD) program

Senator

Please vote in favor of the Legislative Audit Bureau choosing for the Joint Audit Committee to review the Physician Office Visit Data (POVD) program.

MICHAEL W. LISCHAK, M.D., M.P.H.
Medical Director
Corporate Worx
Columbia St. Mary's
Phone: 414 773 6669
Fax: 414 773 6672
Pager: 414 838 0075
mlischak@columbia-stmarys.org

NOV 03 2004

Wisconsin Medical Society

Your Doctor. Your Health.

November 2, 2004

Senator Carol Roessler
Room 8 South
State Capitol
PO Box 7882
Madison, WI 53707-7882

Representative Suzanne Jeskewitz
Room 314 North
State Capitol
PO Box 8952
Madison, WI 53708

Dear Senator Roessler and Representative Jeskewitz:

I want to express my sincere appreciation for your efforts in advancing the possible audit of the Patient Office Visit Data (POVD) program. By recommending the full Joint Audit Committee approve a Legislative Audit Bureau review of POVD, it helps cross a significant hurdle in making the best use of resources to impact cost-effective care. At a time when taxpayers seek accountability, it will be interesting to see how more than five million dollars is accounted for since this program's inception and how it has benefited patients.

Thank you again for your support.

Sincerely,

Alice O'Connor
Senior Vice President
Government Relations and Policy
Wisconsin Medical Society

330 East Lakeside Street • PO Box 1109 • Madison, WI 53701-1109 • wisconsinmedicalsociety.org • Phone 608.442.3800 • Toll Free 866.442.3800 • Fax 608.442.3802

Centralized Physician Database

Currently, physician information is held in three state databases along with similar information at the Wisconsin Medical Society (Society). Three of the four use each other's information to update and verify their own databases. The majority of the information is similar. Fees or dues by physicians support all of these databases.

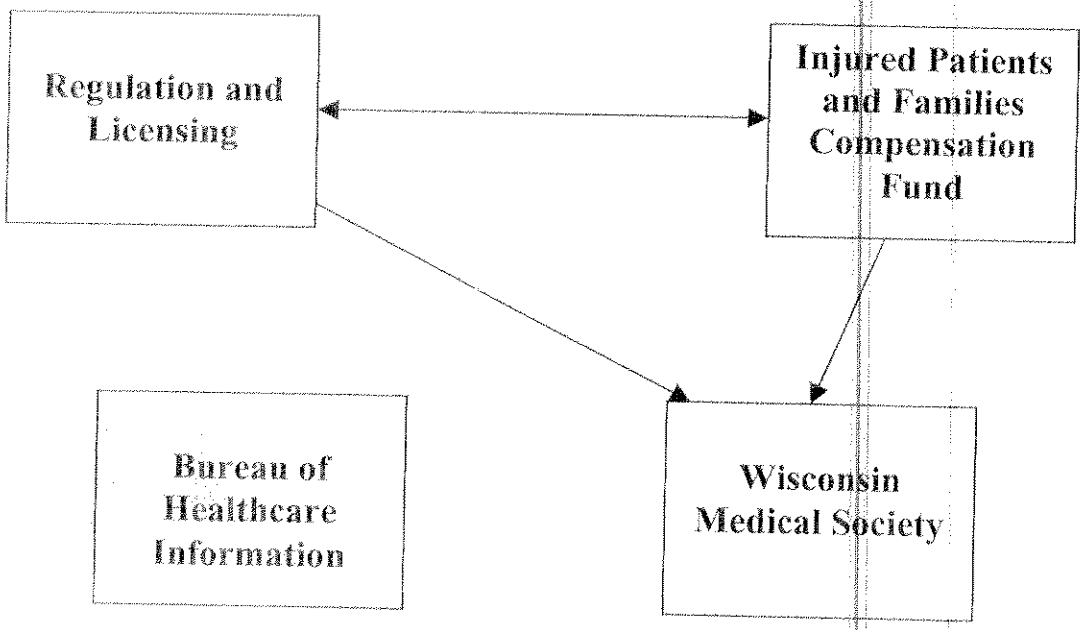
These databases could be replaced with one database available to all. The Society is interested in hosting this database with oversight from the interested public. This would:

- eliminate data entry duplication,
- decrease the cost of maintaining separate databases,
- allow for each group to focus their IT resources on their unique needs,
- decrease new license application time and
- make physician information easily available to the public in one spot.

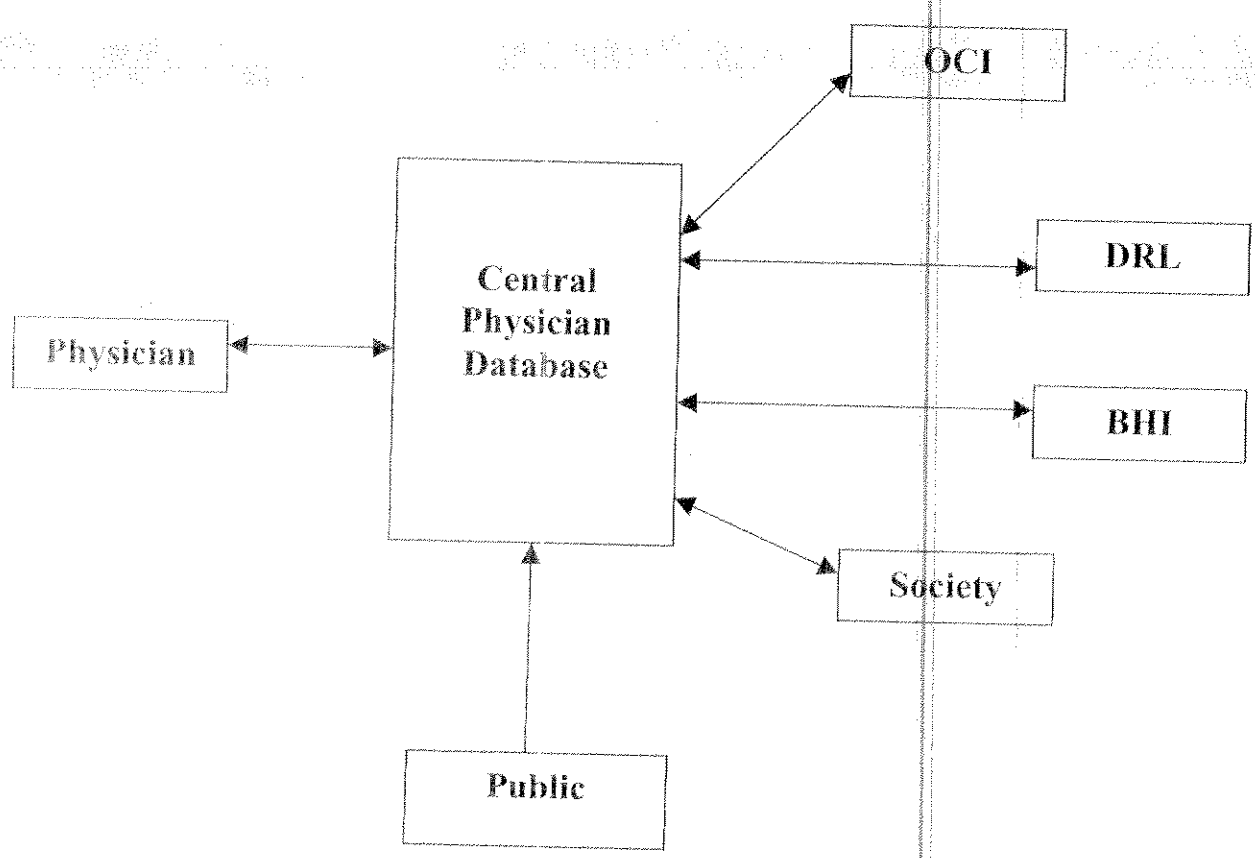
Questions that need answering:

- How many staff people are responsible for these databases at OCI, Regulation and Licensing and Bureau of Health Care Information
  - Data entry
  - IT staff
- What is their expense budget for maintaining their current database system? What % of time is on data entry? Maintenance?
- What is their current database platform?
- Plans for updating their databases?
- How do OCI, DRL and BHI coordinate their efforts and information?
- What is the average turnaround for a new license in Wisconsin?
- Can a physician apply for a license online? Register with OCI online? Pay online?
- List of all the physician data fields for each database. How much redundancy.
- Number of page views for each agency's patient physician information area.

Current Paradigm



New Paradigm



Asbjornson, Karen

From: Alice O'Connor [AliceO@WISMED.ORG]
Sent: Tuesday, November 02, 2004 11:13 AM
To: asbjornson.karen@legis.state.wi.us; Sen.Roessler
Subject: Fwd: Re: Special Meeting of the Board on Health CareInformation

Re: Special Meeting of the Boa...

take two. did you gt this?:) alice

>>> Alice O'Connor 11/1/2004 3:08:21 PM >>>

Dear Senator Roessler and Rep. Jeskewitz:
Thought you might find this interesting in light of possible audit of POVD.
It demonstrates that the Department has done a very poor job of using physician assessments, has carried over dollars while complaining they have not had enough money! Attachment 2 shows considerable cash being transferred from one year to the next, (half a million from SFY01 to SFY03, plus another $350K in SFY04, some of which is earmarked for submitter training) even though staff indicate the assessment is not enough.

This information is being provided to the BHI Board only because the Board would not rubber stamp the $70 physician assessment at the last meeting without some documentation.

Attachment 3 shows 12.28 FTE assigned to POVD

It is unclear why the assessment revenue is in the $600-800K range because Judith Nugent reported at last BHI meeting 12,859 as the number of doctors to be assessed. 12,859 times $70 is $900,130.

Its time the taxpayers know how millions of dollars have been used with no measurable benefits.

Warm regards,
Alice
>>> Cindy Helstad 11/1/2004 2:11:18 PM >>>
attachments for special BHI meeting

Alice O'Connor
Senior Vice President
Government Relations and Policy
Wisconsin Medical Society
330 E. Lakeside St.
Madison, WI 53715
608.442.3767 (Direct)
866.442.3800 (Ext. 3767)

ATTACHMENT 4

Physicians' Projects

SFY1999-00

Account	Encumbrances	Expenses
SALARY & FRINGE	0.00	43,344.25
CONTRACTUAL SERVICES	0.00	0.00
DATA PROCESSING EQUIPMENT & SERVICES	0.00	0.00
SUPPLIES & SERVICES	0.00	14,520.69
Total	**0.00**	**57,864.94**

Beginning Cash	Revenue	Expenses	Cash Balance
0.00	0.00	57,864.94	(57,864.94)

SFY2000-01

Account	Encumbrances	Expenses
SALARY & FRINGE	0.00	378,749.60
CONTRACTUAL SERVICES	0.00	0.00
DATA PROCESSING EQUIPMENT & SERVICES	340,007.00	11,248.06
SUPPLIES & SERVICES	0.00	156,205.11
Total	**340,007.00**	**546,202.77**

Beginning Cash	Revenue	Expenses	Cash Balance
(57,864.94)	790,655.98	546,202.77	186,588.27

SFY2001-02

Account	Encumbrances	Expenses
SALARY & FRINGE	0.00	484,582.25
CONTRACTUAL SERVICES	16,222.50	8,697.50
DATA PROCESSING EQUIPMENT & SERVICES	0.00	102,880.11
SUPPLIES & SERVICES	0.00	142,221.13
Total	**16,222.50**	**738,380.99**

Beginning Cash	Revenue	Expenses	Cash Balance
186,588.27	712,708.07	738,380.99	160,915.35

SFY2002-03

Account	Encumbrances	Expenses
SALARY & FRINGE		404,053.62
CONTRACTUAL SERVICES		55,463.92
DATA PROCESSING EQUIPMENT & SERVICES	143,107.00	282,594.10
SUPPLIES & SERVICES		87,005.45
Total	**143,107.00**	**829,117.09**

Beginning Cash	Revenue	Expenses	Cash Balance *
160,915.35	812,269.00	829,117.09	144,067.26

***Net of PO support**	960.26

Prepared by O'Malley 10/07/03

Physician's Projects	**SFY2004-05**	10/14/04
Account	Budget	
Salary & Fringe	774,549.00	(12.28 FTE)
Contractual Services	60,000.00	
Data Processing Equipment and Services	206,187.00	
Supplies and Services	169,394.00	
Total	1,210,130.00	

NOTES & ASSUMPTIONS

Physician's Projects: Includes physician workforce survey, assessment processes and physician office visit data collection and processing.

Salaries: Salary and fringe are never budgeted at total cost. Amount transferred does not include pay plan and does include a turn-over factor.

Fringe: Fringe rates are calculated from Department average budget amount (40.022)

DRAFT—ATTACHMENT 1

Board on Health Care Information

STATE OF WISCONSIN

MINUTES OF THE MEETING OF OCTOBER 5, 2004

Attendance

Board Members: Present: Chair Kevin Hayden; Sherri Hauser; Gregory Britton; Cynthia Chicker; Jerry Popowski; Chris Queram; David Kindig, M.D.; and Pam Grady. Absent: Glen Grady; Ron Harms, M.D.; and Susan Turney, M.D.

BHIP Staff: Susan Wood, Director, Bureau of Health Information and Policy; Judith Nugent, Chief, Health Care Information Section; Al Nettleton; and Wen-Jan Tuan.

Other DHFS Staff: David Woldseth, Division of Health Care Financing.

Others Present: Joe Kachelski, Debbie Rickelman, and Eric Borgerding, Wisconsin Hospital Association; Cindy Helstad, Alice O'Connor, and Susan Wiegmann, Wisconsin Medical Society; Sabrina Fox, Wisconsin Dental Association; Michael Heifetz, Dean Health System; and Jim Kurtz, Medical College of Wisconsin.

Call to order

Chair Kevin Hayden called the meeting to order at 1:01 p.m. at Dean Health System Administrative Headquarters, Madison, Wisconsin. A quorum was deemed to be present.

Minutes of the April 20, 2004, Board meeting

Chris Queram made a motion to approve the minutes. Sherri Hauser seconded. Motion carried.

Approval of the Report of the Committee of the Whole from August 3, 2004

Greg Britton made a motion to accept the report. Cynthia Chicker seconded. Motion carried.

Election of a Vice-Chair

Mr. Hayden opened the floor to nominations. Jerry Popowski nominated Chris Queram to serve as the new vice-chair. Without objection, Mr. Hayden closed the nominations. The Board voted to elect Mr. Queram as the new vice-chair.

Amendments to Rules of Order and Procedure

Susan Wood, the director of the Bureau of Health Information and Policy, reported the Department of Administration had approved the reorganization of the Division of Public Health. This requires that the Board make cosmetic changes to its rules to reflect the new division and bureau names. Mr. Britton made a motion to approve the changes, and Dr. David Kindig seconded. Since no member dissented, the two-thirds requirement to change the rules of order and procedure was met. Motion carried.

Hospital Quality Indicator Reports

Vice-Chair Queram told the Board that the April minutes summary was good for framing the discussion of this annual report. Last December, Dr. Sandra Mahkorn presented a draft report to the Board. When DHFS released the report, Mr. Queram felt the Department implied the Board had agreed with it; this was not the case. He feels the report disparages some quality indicators, which the Board too may have done, but the Board should have had that opportunity to decide. Mr. Queram also

wondered whether the Board's role would change when the Wisconsin Hospital Association produces the report. Since the last discussion, several changes to the indicators have been suggested by the Agency for Healthcare Research and Quality (AHRQ).

Joe Kachelski of the Wisconsin Hospital Association told the Board that when the law revising Chapter 153 to transfer data collection from DHFS to WHA was changed, the statute froze the existing rules. Therefore, any changes to the report the Board may wish would need to be made both in statute and in administrative rule. Susan Wood's reading of the statutory changes indicates that the Board's powers and duties have not changed substantively. Chris Queram believes the Board and its stakeholders should decide what the appropriate level of information is, and that may not necessarily be what statute or administrative rule says. Still, Mr. Queram wonders what the Board's role is with DHFS and WHA in regard to mandated reports.

Pam Grady said she sees the Board's role being watered down. Quality statistics are available online nationally these days, but she senses a veil coming down over data. Like Mr. Queram, she would like to support consumers by getting information out. This should be a win-win situation for providers and consumers.

Since many of these quality indicator questions are related to the role of the Board, Mr. Hayden asked that the Board move on to discuss strategic planning by the Board.

Board strategic planning activities

The Board stopped its strategic planning last summer in light of the WHA data initiative. At its last meeting, the Board as a committee of the whole indicated it wanted to resume these activities. Susan Wood distributed a handout that described the Board's previous planning activities. The last few pages of the handout reflected questions that the Board asked itself in mid-2003.

Mr. Hayden said he would like to appoint a subgroup to work with staff on making some recommendations for the December 7, 2004, meeting. The December meeting has traditionally had a less crowded agenda, so the Board can devote time to this activity. Mr. Kindig thought this would be a good idea, and he asked if the plan could cover multiple years rather than a single year. Mr. Queram asked the subcommittee to look at statute and administrative rules as part of this effort, with an eye as to whether either needs to be changed. Mr. Hayden and Susan Wood will lead this effort, and Cynthia Chicker, David Kindig, and Chris Queram will also participate. The effort will be both inclusive and practical, and stakeholders will be permitted to provide feedback.

Public Health Council

Ms. Wood announced that the Governor announced the membership of the new Public Health Council on September 23, 2004, and she distributed copies of the press release. This council will address issues related to emergency planning and Healthiest Wisconsin 2010 (the state health plan). They will first meet for four hours on October 29. Ms. Wood will brief Council members on the public health institute initiative and the upcoming Health Information Symposium. She also plans to talk to them about the more than 30 boards and councils that currently advise the Department. They will likely hold their second meeting in December or February. Since the Bureau is staffing the Public Health Council as well, Ms. Wood can easily keep the Council and the Board updated on each other's activities.

Health Information Symposium

Since many people wished to participate, Secretary Helene Nelson decided to ask the Board to co-sponsor a December symposium. The Department plans to invite a number of state and national speakers to talk about the issues. The current system is fragmented and incomplete; there is hope that the symposium will help start better coordination of efforts.

Wisconsin Hospital Association data collection activities

In advance meeting materials, staff provided WHA's cost comparison between what they charge for

data and what the Bureau of Health Information charged. WHA adopted a three-tier structure where entities pay differently dependent on their use of the data. Fees are higher with WHA products, but the elimination of the assessment has resulted in cost savings for hospitals. Mr. Kachelski also distributed a consumer satisfaction survey that showed that people who responded online were generally happier with the new arrangement.

Physician Office Visit data collection

Judith Nugent told the Board that DHFS has released all four quarters of 2003 data. The first and second quarters for 2004 are nearly ready, but staff waited to find out if the Independent Review Board approved the release of physician identifiers in the public use data set, an action it did not take. Staff has been putting together testing for a Web-based data submission effort.

On September 17, the IRB considered the feedback that DHFS had been getting regarding POV data. The two most common requests are for ZIP code data and physician identifiers. Statute dictates what the IRB can and cannot do. The IRB chose to release physician identifier information only in customized data requests. DHFS management will consider how much to charge the public for these data requests. DHFS also has been looking at public health uses for the data for medical issues such as diabetes, immunizations, and urinary incontinence. At the meeting, the IRB approved a request from the University of Wisconsin to use the data for colorectal screening research.

Ms. Nugent reminded the Board that the data is not complete. Only thirteen submitters have provided the available data. As a result, some counties have very good and useful data while other counties do not.

Kevin Hayden asked if this data was being replicated by some other entity. He wondered if data creators have been working in silos. Ms. Nugent reported that Secretary Nelson was interested in that same question, and that is one of the reasons that she is convening the symposium.

Sherri Hauser questioned the usefulness of POV data for consumers. She would like data available on the Web at no charge for consumers in general, and POV is not different. Ms. Hauser asked if this issue would be on the December agenda.

Greg Britton asked about how users can get their POV data with identifiers. Ms. Nugent said staff was putting together an application form for requesters that would explain the process.

Independent Review Board

Jerry Popowski reported that the IRB met September 17 and spent most of its meeting considering the release of physician identifiers. He talked about four main decisions made by the IRB. First, the IRB voted to release physician identifiers as part of customized data sets. He said all IRB members agreed with the decision, but each member represented varying opinions on specifics. Second, the IRB will seek requests to help clarify what will and will not be released. Third, release will be done on a case-by-case basis. Parameters have not yet been developed, but they will after cases come in. Fourth, they will review their decision at their March 18 meeting. As mentioned earlier, the IRB approved a request by the UW. All in all, Mr. Popowski said they took a conservative step forward by choosing to phase in physician identifiers and monitor progress.

Greg Britton asked how good the POV data is. He stated he would feel uncomfortable making these decisions, and he asked what other states' experience has been. Ms. Nugent said no other state has collected this data as Wisconsin has, so this is all new. Maine comes closest to what Wisconsin does. They collect from six or seven insurers while Wisconsin collects the population-based data. Pennsylvania has written some reports based on its data.

Kevin Hayden asked how the data treats nurse practitioners. Judith Nugent told the Board that they and physician assistants do not get treated differently. Their data is collapsed under the appropriate physician identifier. If the volume of patients is high, one can accurately surmise that more than one person is using a particular identifier. Mr. Hayden asked if it was possible to get physician names.

Ms. Nugent stated this could be easily obtained, but it is not available with the public data set provided by DHFS. Mr. Hayden believes the IRB is absorbing a lot of responsibility and he sees dangerous, difficult decisions in the future.

Sherri Hauser was reminded of the similarities to the 1987 data releases of inpatient data, and she is not sure this is much different. Processes needed to be created then, and they need to be created again. The data finally has become more useful.

Physician assessments

By statute and administrative rule, the Board is responsible for approving the annual physician assessment. Judith Nugent presented the plans this year to charge $70 to fund continued collection of POV data and a physician workforce survey. The statutory cap is $75, but the Department does not think it needs to ask for the full amount. To date since FY01, the state has collected approximately $3.24 million.

Greg Britton asked when a decision needs to be made. Ms. Nugent stated that the Department would like to know today, so it can set up the contract and accounts.

In view of the possible legislative audit of the Bureau that was requested by Representative Wasserman, Mr. Britton said he would prefer to see the numbers before voting. David Kindig was sympathetic to the Department's urgency, but he, too, would like to see a sheet with numbers and rationale.

Sherri Hauser asked if this could be voted on via e-mail after the Board reviewed materials and numbers. David Woldseth, as staff, expressed his doubts that the Board could do that and have it be considered a valid open meeting. He did, however, offer the suggestion that a special meeting could be called, and he could arrange a teleconference so that people would not need to travel.

Ms. Nugent agreed to put together a budget and a rationale for the physician assessment.

Mr. Britton made a motion that the decision be tabled until more information can be presented. Sherri Hauser seconded the motion, and the motion carried. Mr. Woldseth was authorized to work with Mr. Hayden and Ms. Wood to arrange a Board teleconference to decide this issue.

Establishment of 2005 Meeting Schedule

Staff prepared a possible schedule for 2005 based on the Board's tradition of meeting the first Tuesday of every even-numbered month. Dr. Kindig made a motion to approve the schedule, and Cynthia Chicker seconded. The motion carried.

Items for upcoming Board meetings

Kevin Hayden said that the vast majority of the next meeting should and would cover the strategic planning efforts. The workgroup will get information out to Board members well in advance of the meeting. Those who are not members of the workgroup will want to have their input included in the plan.

Mr. Britton asked if the Bureau had heard any more about the requested audit. Ms. Wood said they had not.

Next Board meeting

The next Board meeting is scheduled for December 7, 2004, from 1:00 p.m. to 4:00 p.m., at Dean Health System Administrative Headquarters in Madison.

Adjournment

With no objection, Mr. Hayden adjourned the meeting at 3:07 p.m.

Prepared by David A. Woldseth
For the Bureau of Health Information and Policy

_____

Date Approved:

4

OSF

Department of Health and Family Services
Office of Strategic Finance
PO Box 7850
Madison WI 53707-7850
Phone (608) 266-3816
Fax (608) 267-0358

Date: September 27, 2004

To: Helene Nelson

From: Fredi Bove F.B.

Subject: POVD Data

Per your September 27 e-mail request, attached is information about the fees, revenue, and expenditures for the POVD program.

Cc: Ellen Hadidian
Cindy Daggett
Jeanne O'Malley
✓ Susan Wood
Julie Schultz

Physician Assessment Revenue and Expenditures
SFY 01 to SFY 04

	Cash Balance	Physician Assessment Revenue	Total Revenue	Total Expenditures	Balance*
SFY 01		$ 778,896	$ 778,896	$ 592,308	$ 186,588
SFY 02	$ 186,588	$ 712,708	$ 899,296	$ 738,381	$ 160,915
SFY 03	$ 160,915	$ 812,269	$ 973,184	$ 829,117	$ 144,067
SFY 04	$ 144,067	$ 658,534	$ 802,601	$ 453,429	$ 349,172

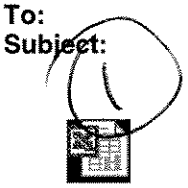
POVD is supported by the annual physician assessment of $70 per physician who practices in Wisconsin. The assessment supports both POVD and the workforce survey. The accounting structure for physician assessment revenues and expenditures was set up in such a way that all activity related to both POVD and the workforce survey was combined and specific revenue and expenditures for each activity cannot be determined. This table indicates revenue and expenditures for the projects supported by physician assessments since the inception of this assessment in SFY 01.

In addition to physician assessment revenue, these projects have received a small amount of revenue from the sale of data. The amount of revenue from data sales is expected to increase, now that POV data is available. The Independent Review Board (IRB), the body appointed by the Governor to review requests to release department data on physician office visits, has indicated that POV data can be sold as custom data sets. Individuals and organizations that want this data must have their requests approved by the IRB. BHIP staff are in the process of setting up a pricing structure for this data.

* The cash balance accrued in FY 04 was due to the delay in implementation of the next phase of POVD. This cash balance will be used to train data submitters and to develop links between different data products.

Asbjornson, Karen

From: Woldseth, David
Sent: Monday, November 01, 2004 1:56 PM
To: CindyH@WISMED.ORG
Subject: Re: Special Meeting of the Board on Health Care Information


physcian cash.xls


attach3.pdf


Oct2004Minutes.doc


attach2.pdf

Sure thing. Here they are.

* * * * * * * * *
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the information by the recipient must be consistent with
applicable laws, regulations and agreements. If
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* * * * * * * * *

>>> "Cindy Helstad" <CindyH@WISMED.ORG> 11/01/04 01:49PM >>>
Hi David,

May I please have the attachments?
Thanks,
Cindy

>>> "David Woldseth" <woldsda@dhfs.state.wi.us> 11/1/2004 1:40:57 PM
>>>
At the October 5, 2004, meeting, the Board decided to delay action on
an
agenda item. Kevin Hayden has scheduled a special meeting for
Wednesday, November 10. The agenda is attached.

* * * * * * * * *
NOTICE: This email and any attachments may contain
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WISCONSIN STATE LEGISLATURE

Joint Audit Committee

Committee Co-Chairs:
State Senator Carol Roessler
State Representative Suzanne Jeskewitz

November 4, 2004

Ms. Helene Nelson, Secretary
Department of Health and Family Services
1 West Wilson Street, Room 650
Madison, Wisconsin 53703

Dear Ms. Nelson:

The Joint Legislative Audit Committee will hold a public hearing on Tuesday, November 16, 2004, in Room 411 South of the State Capitol. At approximately 11:30 a.m., the Committee will consider a proposed audit of the Physician Office Visit Data program administered by the Department of Health and Family Services.

As this proposed audit relates to the activities of your Department, we ask that you, or appropriate members of your staff, be present at the hearing to offer comments on the proposed audit and to respond to questions from committee members. The Legislative Audit Bureau will forward a memorandum outlining the scope of the proposed audit for your review and consideration in advance of the hearing.

Please contact Ms. Pam Mathews in the office of Representative Suzanne Jeskewitz at 266-3796 to confirm your participation at the hearing. Thank you for your cooperation and we look forward to seeing on you on November 16th.

Sincerely,

Senator Carol A. Roessler, Co-chair
Joint Legislative Audit Committee

Representative Suzanne Jeskewitz, Co-chair
Joint Legislative Audit Committee

Enclosure

cc: Ms. Janice Mueller
State Auditor

SENATOR ROESSLER
P.O. Box 7882 • Madison, WI 53707-7882
(608) 266-5300 • Fax (608) 266-0423

REPRESENTATIVE JESKEWITZ
P.O. Box 8952 • Madison, WI 53708-8952
(608) 266-3796 • Fax (608) 282-3624

Asbjornson, Karen

From: DrSlotaVarma@aol.com

Sent: Thursday, November 04, 2004 8:58 AM

To: Sen.Roessler; Sen.Darling; Sen.Lassa; Sen.Plale; Rep.Jeskewitz; Rep.Kaufert; Rep.Kerkman; Rep.Pocan; Rep.Cullen

Subject: Joint Hearing Nov 16 re: Possible Audit of POVD (Physician Office Visit Data)

To Legislative Members of the Joint Audit Committee:

As a primary care physician in the city of Milwaukee, I urge you to approve an audit of the POVD (Physican Office Visit Data). Each year, every licensed physican in Wisconsin pays a fee for this ongoing audit. Although I am not opposed to the collection of useful data, I have not yet seen any published information from this effort that would assist me in providing quality care for my patients. I believe that, after being in existence for several years, it is time to look at the program and weigh its usefulness.

Respectfully,

Catherine M. Slota-Varma MD
2315 N. Lake Dr. #301
Milwaukee, WI 53211
414-272-7009

State of Wisconsin \ LEGISLATIVE AUDIT BUREAU

JANICE MUELLER
STATE AUDITOR

22 E. MIFFLIN ST., STE. 500
MADISON, WISCONSIN 53703
(608) 266-2818
FAX (608) 267-0410
Leg.Audit.Info@legis.state.wi.us

DATE: November 8, 2004

TO: Senator Carol A. Roessler and
Representative Suzanne Jeskewitz, Co-chairpersons
Joint Legislative Audit Committee

FROM: Janice Mueller
State Auditor

SUBJECT: Proposed Audit of the Physician Office Visit Data Program—Background Information

At your request, we have gathered some background information the Joint Legislative Audit Committee may find useful in considering Representative Wasserman's request for an audit of the State's Physician Office Visit Data (POVD) program. 1997 Wisconsin Act 231 directed the Department of Health and Family Services to collect data on medical care delivered in physician offices, and authorized an annual assessment of up to $75 on health care providers to fund the data collection and reporting required by the Act. The purpose of the reports, as identified in Act 231, is to enable members of the public, purchasers of health care services, the Governor and legislators to asses the performance of health care providers and health care plans.

The Department promulgated administrative rules, effective January 1, 2001, to implement the program. Data collection began in 2002 with the State's 13 largest medical practice groups, representing approximately 50 percent of the State's physicians. Act 231 prohibited the identification of specific health care providers in the program's public use data files. The Department reports that the program is compliant with federal patient and state provider confidentiality requirements. Through November 1, 2004, public use data files for all four quarters of calendar year 2003 were available free of charge, and data for the first and second quarter of 2004 were available for a fee. Through November 1, 32 parties had entered data use agreements with the Department to access the public use data.

The Bureau of Health Care Information, within the Division of Health, operates the program. An 11-member Board on Health Care Information advises the Department on certain aspects of the program, and is statutorily directed to work jointly with the Department on program strategy, reporting, and oversight. The Department currently reports funding 12.28 full-time equivalent positions with revenues from this program; fiscal year (FY) 2003-04 revenues to support staff totaled $658,500 from the annual provider assessment.

In his audit request, Representative Wasserman expressed concerns regarding the timeliness of the development and implementation of the Physician Office Visit Data program, staffing levels, and expenditures. He also expressed concern that some program expenditures may not be consistent

with legislative intent. Comparisons have also been drawn between the implementation and operation of the POVD program, and a program operated by the Wisconsin Hospital Association, under contract with the State, that collects and reports data on health care delivered in hospitals. Some believe privatization of the POVD program might yield useful health care information in a timely, cost-effective manner; others disagree.

An audit of the Physician Office Visit Data program could include:

- a staffing and expenditure analysis including the years from FY 2000-01 through FY 2003-04;

- an evaluation of whether the program, as implemented to date, is effectively meeting the legislative intent expressed at the time the program was created;

- a comparison of POVD program operations with those of selected health care information programs operated by the private sector and in other states;

- an assessment of the extent to which privacy issues for patients and providers have been addressed in the development and implementation of the program; and

- a review of compliance with statutory requirements for the several entities involved with the program, including the Board on Health Care Information, the Independent Review Board, which must approve requests for data not included in the public use data files, and the Department of Regulation and Licensing, which licenses physicians in Wisconsin.

If you have any questions regarding this request, please contact me.

JM/KW/bm

cc: Senator Robert Cowles
Senator Alberta Darling
Senator Jeffrey Plale
Senator Julie Lassa
Representative Samantha Kerkman
Representative Dean Kaufert
Representative David Cullen
Representative Mark Pocan

Representative Sheldon Wasserman

Helene Nelson, Secretary
Department of Health and Family Services

Sandra Rowe, Deputy Secretary
Department of Regulation and Licensing

Dean
HEALTH SYSTEM

November 8, 2004

The Honorable Senator Carol Roessler, Co-Chairperson
Joint Legislative Audit Committee
P. O. Box 7882
Madison, WI 53707-7882

Dear Senator Roessler:

As the recently appointed Chairperson of the Board on Health Care Information, I am writing today to express my support for Representative Wasserman's request to conduct an audit of the Physician Office Visit Data program (POVD). As the chair, I have reviewed the history of the board and its duties, as well as its progress and that of the Bureau on Health information. At the October 5th meeting, the Board decided to undertake a strategic planning process to chart its future course.

Members of the Board believe this process is necessary and timely for a few reasons. First, in a difficult budget environment, the function of the Bureau (and therefore the Board) has come under more intense scrutiny. This was epitomized in Governor Doyle's proposal to eliminate the POVD program in his 2003-05 biennial budget recommendations. Second, in recent years there has been great progress made in the private sector in collecting and distributing relevant quality and cost data. Such efforts include the privatization of the hospital data program within the Wisconsin Hospital Association (WHA) and the creation and rapid growth of the Wisconsin Collaborative on Healthcare Quality (WCHQ). This raises obvious question regarding the appropriate roles of the private and public sectors in this area.

Thus, we are very interested in the request of Representative Sheldon Wasserman, MD, to audit the POVD program. Such an audit may help guide our efforts and provide direction for the Board. If the audit were to find shortcomings and/or provide recommendations for improvement, the Board would be in a strong position to address those issues, both in the near term and the long term.

I am more than happy to discuss this in person. I can be reached directly at (608) 250-1051. You may also contact our Director of Governmental Affairs, Michael Heifetz, at (608) 250-1225. We look forward to working with you!

Sincerely,

Kevin R. Hayden
President and CAO

November 11, 2004

Members Joint Legislative Audit Committee:

Senator Carol A. Roessler	Representative Suzanne Jeskewitz
Senator Robert Cowles	Representative Samantha Kerkman
Senator Alberta Darling	Representative Dean Kaufert
Senator Jeffrey Plale	Representative David Cullen
Senator Julie Lassa	Representative Mark Pocan

Dear Members of Joint Legislative Audit Committee:

I am Jerry Popowski, CEO of the Fond du Lac Area Businesses on Health (FABOH), a health care purchasing coalition located in Fond du Lac Wisconsin. FABOH represents 50 large employers and 55 small employers in the Fond du Lac community.

My job has been to control the rising cost of health care for our local employers and to educate employers on the quality of services provided to our 40,000 employee members.

One of the major resources I have utilized to save over 100 million dollars in the past 5 years has been the BHI Inpatient, Ambulatory Surgery data set collected by the State of Wisconsin Bureau of Health Information.

Today, I am submitting an application to access the Physician Office Visit Data set (see attachment) to collect POV data elements that heretofore have not been available from any other source including insurers or payers in our network.

I will be benchmarking POV data to calculate average charges per medial procedure to compare cost of service of our area to other parts of the state, to compare utilization patterns of doctors to other doctors in our state, and to determine if too much or too little service is being provided.

Access to this information is critical to negotiating fair market rates for doctor services, and to determining if our local doctors are providing too much or not enough service to our employee members.

The Physician Office Visit Data set includes over 30 million records, and the data may be released in three files: 1) Public use files 2) Release with Internal Review Board approval 3) Not releasable.

If the Board review approval was not required, then we could go ahead and fully access the data to complete our project and provide the employers with the information they are looking for.

I am asking for your support in moving the data elements that require release from the IRB and the data elements that are not releasable into the public use files. On behalf of our FABOH member companies, I want you to know how valuable the Physician Office Visit Data project is to controlling health care cost and evaluating physician practice patterns.

Jerry Popowski
FABOH CEO

Overview of POV Data Elements and How They May Be Released

Element/Subset Name	Released in Public Use Files	May Be Released with IRB Approval	Not Releasable
Physician affiliated organization			
Organization ID	•		
Organization name	•		
Employer identification number (EIN)			•
Physician's name and identification			
Name (last, first, middle, suffix)		•	
Wisconsin physician license number		•	
National provider identifier (NPI)		•	
EIN		•	
UPIN		•	
Clinic or service facility information			
Facility name	•		
Facility type		•	
Street address 1	•		
Street address 2	•		
City name	•		
State code	•		
Zip code	•		
Patient information			
Birth date			•
Age in years		•	
Age group	•		
Gender	•		
Zip code of residence		•	
county of residence	•		
Payer information			
Primary payer category	•		
Secondary payer category	•		
Diagnosis			
Principal diagnosis	•		
Diagnosis 2	•		
Diagnosis 3	•		
Diagnosis 4	•		
Diagnosis 5	•		

Element/Subset Name	Released in Public Use Files	May Be Released with IRB Approval	Not Releasable
Diagnosis 6	•		
Diagnosis 7	•		
Diagnosis 8	•		
Service date			
Date of service		•	
Service year	•		
Service quarter	•		
Place of service		•	
Procedure and modifier			
Procedure code	•		
Modifier 1		•	
Modifier 2		•	
Modifier 3		•	
Modifier 4		•	
Procedure charges information			
Days or units basis type		•	
Quantity		•	
Procedure charges	•		
Total charge in a claim		•	
Whether the provider accepts assignment			
Assignment in general		•	
Medicare assignment		•	
Outside lab information			
Tests were sent to an outside lab		•	
Outside lab charges		•	
Patient condition related to employment, auto accident, or other accident			
Condition Related Cause 1		•	
Condition Related Cause 2		•	
Condition Related Cause 3		•	
Whether a patient is pregnant		•	
Date of current illness, injury, or pregnancy			
Onset of current symptom/illness		•	
Date of accident		•	
Date of last menstrual period		•	

Element/Subset Name	Released in Public Use Files	May Be Released with IRB Approval	Not Releasable
Referring physician information			
Name (last, first, middle, suffix)		•	
NPI		•	
EIN		•	
UPIN		•	
Service billing information			
Name of individual/organization		•	
Individual/organization indicator		•	
Street address 1		•	
Street address 2		•	
City name		•	
State code		•	
Zip code		•	
NPI		•	
EIN		•	
UPIN		•	
Encrypted case identifier			•
Patient control or account number			•
Medical record or chart number			•
Prior authorization number			•

Wisconsin Medical Society

Your Doctor. Your Health.

November 11, 2004

To: Senator Carol Roessler and Representative Suzanne Jeskewitz and members of of the Joint Audit Committee

Re: Audit on the Physician Office Visit Data (POVD) program

The Wisconsin Medical Society with 10,000 members throughout the state, respectfully requests that you support Rep. Sheldon Wasserman's request for an audit of the Bureau of Health Information and the Physician Office Visit Data (POVD) program. An audit would be in the best interests of taxpayers and patients across Wisconsin.

The Society is eager to be a part of any efforts that contribute to the overall transparency of health care costs however we have been consistently concerned about that $3.15 million collected in POVD assessments from physicians since FY 2000-01 that have yet to produce measurable benefits.

At a time when elected officials are being asked to account for every penny spent in government, the request for this audit is timely. Even Governor Doyle questioned the value of this program when he proposed eliminating it in his 2003-2005 bienniel budget. As BHI moves forward an audit would provide feedback to the Board to help direct their future efforts.

Until the new, recent chair of the BHI Board pressed for and received an explanation as to how many staff were used to accomplish what specific objectives, this information has been lacking.

As guardians of the taxpayer' wallets whenever examining government-run programs, the Joint Audit Committee appears to be the perfect forum for an in-depth discussion of the program's merits and faults so far. We urge you to support Rep.Wasserman's request for this program audit.

Thank you for your attention to this request. As always, please feel free to contact me at any time if you have any questions about POVD or any other physician-related issue.

Sincerely,

Alice O'Connor
Senior Vice President

330 East Lakeside Street • PO Box 1109 • Madison, WI 53701-1109 • wisconsinmedicalsociety.org •
Phone 608.442.3800 • Toll Free 866.442.3800 • Fax 608.442.3802

Wisconsin Medical Society
Your Doctor. Your Health.

August 6, 2004

Senator Carol A. Roessler
Co-chairperson, Joint Audit Committee
8 South – State Capitol
Madison, WI 53702

Representative Suzanne Jeskewitz
Co-chairperson, Joint Audit Committee
314 North – State Capitol
Madison, WI 53702

Dear Senator Roessler and Representative Jeskewitz:

The Wisconsin Medical Society, with 10,000 members throughout the state, respectfully requests that you support Rep. Sheldon Wasserman's request for an audit of the Bureau of Health Information and the Physician Office Visit Data (POVD) program. An audit would be in the best interests of patients across Wisconsin.

The Society is very concerned that the $3.15 million collected in POVD assessments since FY 2000-01 has failed to result in anything useful to help patients compare true costs associated with health care. We continue to believe that bad data is worse than no data at all; the latter is simple ignorance, but conclusions based on the former could actually be more harmful to consumers than helpful.

You both have been stellar advocates for patients and physicians. You also guard the taxpayers' wallets whenever examining government-run programs. Questions surrounding the POVD program touch on both of these areas, so the Joint Audit Committee appears to be the perfect forum for an in-depth discussion of the program's merits and faults so far.

Thank you for your attention to this request. As always, please feel free to contact me at any time if you have any questions about POVD or any other physician-related issue.

Sincerely,

Alice O'Connor
Senior Vice President

xc: Members, Joint Audit Committee

330 East Lakeside Street • PO Box 1109 • Madison, WI 53701-1109 • wisconsinmedicalsociety.org • Phone 608.442.3800 • Toll Free 866.442.3800 • Fax 608.442.3802

ATTACHMENT 4

Physicians' Projects

SFY1999-00

Account	Encumbrances	Expenses
SALARY & FRINGE	0.00	43,344.25
CONTRACTUAL SERVICES	0.00	0.00
DATA PROCESSING EQUIPMENT & SERVICES	0.00	0.00
SUPPLIES & SERVICES	0.00	14,520.69
Total	**0.00**	**57,864.94**

Beginning Cash	Revenue	Expenses	Cash Balance
0.00	0.00	57,864.94	(57,864.94)

SFY2000-01

Account	Encumbrances	Expenses
SALARY & FRINGE	0.00	378,749.60
CONTRACTUAL SERVICES	0.00	0.00
DATA PROCESSING EQUIPMENT & SERVICES	340,007.00	11,248.06
SUPPLIES & SERVICES	0.00	156,205.11
Total	**340,007.00**	**546,202.77**

Beginning Cash	Revenue	Expenses	Cash Balance
(57,864.94)	790,655.98	546,202.77	186,588.27

SFY2001-02

Account	Encumbrances	Expenses
SALARY & FRINGE	0.00	484,582.25
CONTRACTUAL SERVICES	16,222.50	8,697.50
DATA PROCESSING EQUIPMENT & SERVICES	0.00	102,880.11
SUPPLIES & SERVICES	0.00	142,221.13
Total	**16,222.50**	**738,380.99**

Beginning Cash	Revenue	Expenses	Cash Balance
186,588.27	712,708.07	738,380.99	160,915.35

SFY2002-03

Account	Encumbrances	Expenses
SALARY & FRINGE		404,053.62
CONTRACTUAL SERVICES		55,463.92
DATA PROCESSING EQUIPMENT & SERVICES	143,107.00	282,594.10
SUPPLIES & SERVICES		87,005.45
Total	**143,107.00**	**829,117.09**

Beginning Cash	Revenue	Expenses	Cash Balance *
160,915.35	812,269.00	829,117.09	144,067.26

*Net of PO support	960.26

Prepared by O'Malley 10/07/03

Physician's Projects **SFY2004-05** 10/14/04

Account	Budget	
Salary & Fringe	774,549.00	(12.28 FTE)
Contractual Services	60,000.00	
Data Processing Equipment and Services	206,187.00	
Supplies and Services	169,394.00	
Total	1,210,130.00	

NOTES & ASSUMPTIONS

Physician's Projects: Includes physician workforce survey, assessment processes and physician office visit data collection and processing.

Salaries: Salary and fringe are never budgeted at total cost. Amount transferred does not include pay plan and does include a turn-over factor.

Fringe: Fringe rates are calculated from Department average budget amount (40.022)

Physician Assessment Revenue and Expenditures
SFY 01 to SFY 04

	Cash Balance	Physician Assessment Revenue	Total Revenue	Total Expenditures	Balance*
SFY 01		$ 778,896	$ 778,896	$ 592,308	$ 186,588
SFY 02	$ 186,588	$ 712,708	$ 899,296	$ 738,381	$ 160,915
SFY 03	$ 160,915	$ 812,269	$ 973,184	$ 829,117	$ 144,067
SFY 04	$ 144,067	$ 658,534	$ 802,601	$ 453,429	$ 349,172

POVD is supported by the annual physician assessment of $70 per physician who practices in Wisconsin. The assessment supports both POVD and the workforce survey. The accounting structure for physician assessment revenues and expenditures was set up in such a way that all activity related to both POVD and the workforce survey was combined and specific revenue and expenditures for each activity cannot be determined. This table indicates revenue and expenditures for the projects supported by physician assessments since the inception of this assessment in SFY 01.

In addition to physician assessment revenue, these projects have received a small amount of revenue from the sale of data. The amount of revenue from data sales is expected to increase, now that POV data is available. The Independent Review Board (IRB), the body appointed by the Governor to review requests to release department data on physician office visits, has indicated that POV data can be sold as custom data sets. Individuals and organizations that want this data must have their requests approved by the IRB. BHIP staff are in the process of setting up a pricing structure for this data.

* The cash balance accrued in FY 04 was due to the delay in implementation of the next phase of POVD. This cash balance will be used to train data submitters and to develop links between different data products.

Chris' proposal

Creation of a Wisconsin Ambulatory Healthcare Data Repository
Proposed Guiding Principles and Operational Framework
November 7, 2004

GUIDING PRINCIPLES

- The existence of a centralized ambulatory healthcare database is a quasi-public good and, as such, the State of Wisconsin will play a significant role in overseeing its creation, maintenance and use.
- The statutory mandate, requiring the submission of discharge data by hospitals, physicians, and other providers, will be maintained. However, the physician office visit data (POVD) will gradually sunset and be replaced by an ambulatory healthcare data repository which will be maintained by an entity to be designated by a newly created "public authority" (see below).
- The ambulatory data populating the repository will be extracted from HIPPA-compliant healthcare claims data as submitted/directed by healthcare payers and self-funded purchasers. Hospital data will continue to be submitted through the Wisconsin Hospital Association (WHA), which currently serves as the designated entity for this purpose.
- Encrypted physician and patient identifiers will be included in the data submissions.
- If necessary, the State of Wisconsin will facilitate the submission of data to the repository by exercising its leverage as a purchaser of health care services (via Department of Employee Trust Funds/Department of Health and Family Service) and a regulator (via Office of the Commissioner of Insurance).
- The governance and oversight of the ambulatory healthcare data repository will be accomplished through a "public authority" model. The composition of this authority will include representatives of the Wisconsin Collaborative for Healthcare Quality (WCHQ), the WHA, the State of Wisconsin, and several at-large public members. The "public authority" will create a shared vision on the acquisition, analysis, interpretation and use of all health care data, as well as to provide oversight, operational coordination, and dispute resolution among participating entities.

SMS?

OPERATIONAL FRAMEWORK

- Responsibilities for the maintenance and operation of the ambulatory healthcare data repository will be subcontracted to the designated entity chosen by the "public authority"..
- Data inputs will be provided electronically through healthcare claims data of multiple payers. Data will not be attributable to the individual payers for competitive propriety.
- Payers submitting claims data may access the repository for purposes of product development, provider contracting and other core business-related functions. The rules governing access to the repository will be developed by the "public authority".

- The funds generated by the physician assessment for POVD will be transferred to the designated entity to help offset the cost of maintaining the ambulatory data repository.
- Other revenue streams to support the necessary infrastructure will be determined.
- The "public authority" will ensure that policies/procedures to guide the management of the repository/warehouse will be developed. This oversight will include the production of public release datasets and public reports. The State of Wisconsin will retain the authority to publish web-based data and public reports.

Medical Group Management Association
MGMA
Wisconsin
A State Affiliate

November 12, 2004

Senator Carol A. Roessler
Room 8 South
State Capitol
P.O. Box 7882
Madison, WI 53707-7882

Representative Suzanne Jeskewitz
Room 314 North
State Capitol
P.O. Box 8952
Madison, WI 53708

Dear Senator Roessler and Representative Jeskewitz:

The Wisconsin Medical Group Management Association respectfully requests that you support Representative Sheldon Wasserman's request for an audit of the Bureau of Health Information, with a focus on the Physician Office Visit Data (POVD) program.

Numerous questions have been raised about the POVD program since its enactment in 1998. Of particular concern to physicians and administrators were the issues of safeguards to protect patient privacy and the cost to physician offices to submit the data required under the program. In addition, the question remains as to whether quality can be measured in a meaningful way from the data that is being collected.

The WMGMA members believe that there are better ways to collect and disseminate information about healthcare costs and quality. Many private sector efforts are already underway including the Wisconsin Collaborative for Health Care Quality and the Wisconsin Hospital Association's CheckPoint program. As these efforts continue to achieve goals that the POVD program has only promised, lawmakers might wish to consider whether the POVD program has run its course.

Thank you for your time and attention to this request.

Respectfully,

John W. Kelly
President

HEADQUARTERS
330 E. Lakeside Street
P.O. Box 1109
Madison, WI 53701
phone: 608.283.5410
800.762.8968
fax: 608.283.5424

www.wmgma.org

Vote Record

Joint committee on Audit

Date: November 16, 2004

Moved by: Senator Roessler Seconded by: Senator Lassa

Motion to approve **Proposed Audit of the Department of Health and Family Services' Physician Office Visit Data Program** according to the scope statement prepared by the Legislative Audit Bureau.

Be recommended for:
☒ Passage ☐ Adoption ☐ Confirmation ☐ Concurrence ☐ Indefinite Postponement
☐ Introduction ☐ Rejection ☐ Tabling ☐ Nonconcurrence

Committee Member	Aye	No	Absent	Not Voting
Representative Suzanne Jeskewitz	☒	☐	☐	☐
Senator Carol Roessler	☒	☐	☐	☐
Senator Robert Cowles	☒	☐	☐	☐
Senator Alberta Darling	☐	☐	☒	☐
Senator Julie Lassa	☒	☐	☐	☐
Senator Jeff Plale	☒	☐	☐	☐
Representative Dean Kaufert	☒	☐	☐	☐
Representative Samantha Kerkman	☐	☐	☒	☐
Representative David Cullen	☒	☐	☐	☐
Representative Mark Pocan	☐	☐	☒	☐
Totals:	7	0	3	0

☒ Motion Carried ☐ Motion Failed

WISCONSIN
STATE
ASSEMBLY

SHELDON
WASSERMAN
STATE REPRESENTATIVE

November 16, 2004

Testimony of Representative Sheldon Wasserman
Before the Joint Committee on Audit
In Support of an Audit of the Physician Office Visit Data Program

Good morning, Senator Roessler, Representative Jeskewitz and committee members. I appreciate the opportunity to comment on the need for an audit of the Physician Office Visit Data (POVD) program.

The Bureau of Health Information (BHI) within DHFS tracks, gathers and produces reports on various health statistics, vital records and other health care information relative to Wisconsin citizens and the state's providers of health care. As most of you will recall, six years ago the legislature passed a bill to expand Wisconsin's data collection efforts to include information on physician office visits. BHI was designated to implement POVD collection, which is funded by an annual tax on physicians. And more recently via the 2003-2004 budget bill, a private entity, the Wisconsin Hospital Association, was charged with collecting and reporting information on hospital and ambulatory and surgery data.

It is my understanding that the POVD program has employed as many 12.28 full-time people and has spent millions of dollars since its inception. According to the program's website, "public use data files, standard reports, custom data files and reports, and Web-based information products like those it produces from hospital inpatient discharge data and ambulatory surgery data" would be available sometime in 2003. Only the public use data files are currently available to my knowledge.

Rather than reiterate the many questions that an audit could definitively answer, as posed in my audit request letter of July 2004, I will instead summarize why I feel so strongly that an audit is warranted.

First, millions of dollars, hundreds of hours and at least 12 staff people are being devoted to the POV data collection effort. In talking with those who follow the activities of BHI's governing board, it is clear that even board members are not getting sufficient information on POVD program finances, whether POV data is valid and if it can measure quality.

Second, it should be noted that the Wisconsin Hospital Association's similar data collection effort was operational after less than a year, with fewer employees. By law and contract, DOA reviews its performance every two years. The Wisconsin Collaborative for Health Care Quality, formed only 2 years ago, already has produced a report comparing participating entities in simple, patient-friendly quality measurements. In the last year it has already doubled its membership and is now addressing the realm of economic measures to go hand-in-hand with the quality measures. This has been achieved through the cooperative work of the

MADISON:
POST OFFICE BOX 8953
MADISON, WISCONSIN 53708
(608) 266-7671
TOLL-FREE NUMBER: 1-888-534-0022
FAX: (608) 266-7038
E-MAIL: rep.wasserman@legis.state.wi.us
WEB PAGE: http://www.legis.state.wi.us/assembly/asm22/news/

HOME:
3487 NORTH LAKE DRIVE
MILWAUKEE, WISCONSIN 53211
(414) 964-0663

business and health care communities and organized labor (payers, patients and providers) without government involvement, and at lightning speed compared to the POVD program. The WHA and WCHCQ are demonstrating how private sector models are making government mandates obsolete. Accordingly, there needs to be an accounting of private sector initiatives and additional government regulations that may be duplicating what BHI does.

Third, when the POV data is finally released, patient confidentiality in accordance with HIPAA must be guaranteed. The legislature and the public need to know how BHI will ensure that data is not used wrongfully.

And fourth, there have been recent rumors of a plan to create an expansive, new "public authority" that will re-centralize health care data. It would be irresponsible for the legislature to consider establishing any new government-run bureaucracies, before obtaining a formal overview of existing collection programs to determine their effectiveness.

In my opinion the POVD program has not lived up to expectations, however well intended it was at its inception. I do not believe that the data it is gathering will be useful for consumers of health care, nor will it help physicians improve. There are obviously those who will disagree with me today. I say to them, and to the committee, that an independent audit will put the data collection debate to rest once and for all, and will ultimately benefit all Wisconsin citizens.

Thank you very much for your time and consideration. I would be glad to take questions.

Wisconsin Medical Society

Your Doctor. Your Health.

To: Senator Carol Roessler, Representative Suzanne Jeskewitz, and Members of the Joint Audit Committee

Re: Support of Representative Wasserman's Request for an Audit on Physician Office Visit Data (POVD) program

Date: November 16, 2004

My name is Doctor Ron Harms. Thank you Madam Chairs and Members of the Joint Audit Committee for the opportunity to testify before you. Today, I am here representing the Wisconsin Medical Society and its 10,000 physicians and as a member of the BHI Board. One of my passions in life is to help provide the greatest health care value possible to the residents of Wisconsin. My career has spanned 30 years. For 27 years, I was a family physician in Shawano, Wisconsin. During that time I continually worked to improve patient care. Ten years ago, I realized I needed to take a more formal leadership role. This led to my becoming a part time Regional Medical Director for Touchpoint Health Plan, a provider owned health plan based in Appleton, Wisconsin. For the last 4 ½ years, I have been the Touchpoint Senior Medical Director. As of April 1, 2004, when United Health Care (UHC) purchased Touchpoint Health Plan, I became a Market Medical Director for the UHC of Wisconsin. I offer you this background to give you a historical perspective of my involvement in Wisconsin health care and quality information gathering and hopefully provide credibility for what I am going to say.

As Senior Medical Director I have the responsibility for the optimal utilization management of health services, clinical quality, and service quality for our health plan members. Touchpoint Health Plan in partnership with our providers have led the use of unblinded data to provide the best health care value possible. Touchpoint has been recognized by National Committee for Quality Assurance (NCQA), the national accreditation body for health plans, as the number 1 health plan for clinical quality and disease management for 2003 and number 2 in 2004.

You are asked to lower taxes and reorganize the public health care system to optimize the state government's health care role. We believe all efforts to ensure accountability of all state programs is vitally important. As you are aware many questions have risen about the POVD project and the use of the $3.4 million physician assessment dollars to support this program since its inception. We strongly believe the audit is the correct thing to do. The Wisconsin Medical Society and the BHI board are committed to providing the best health care value to all Wisconsin residents. We realize transparent, useful, understandable, and easily available data are one of the essential parts of this mission.

330 East Lakeside Street • PO Box 1109 • Madison, WI 53701-1109 • wisconsinmedicalsociety.org • Phone 608.442.3800 • Toll Free 866.442.3800 • Fax 608.442.3802

The vision of the POVD program was for Wisconsin to be a leader in collecting outpatient data to allow individual consumers, private purchasers, and government purchasers to have the best information to make informed decisions in purchasing health care. POVD was created in 1999 to be a tool in the overall quest for health care value. However, leaders in and out of government have realized the use of financial data in the form of charge data tied to diagnoses as a means to improve health care quality, safety, and delivery will not work.

I would like to offer several points to illustrate why the basic premise of the POVD project cannot accomplish its stated goal and an audit is imperative to guarantee the optimal state government role in delivering the best health care and ensure taxpayers are not being asked to support an unnecessary program.

First, health care value is defined as clinical quality + service quality/ cost + appropriateness of care. As you can see, the cost of care is only one part of the total picture required. I have to admit many institutions, including ours, started with charge and claims data tied to diagnosis as our assessment tool for the best health care. We learned years ago that we need to make the patient the center of all our quality efforts. In order to do this, one has to determine the best clinical care, define the clinical success outcome measures, engage the patients, families and purchasers, and lead the development of improved health care systems to deliver the best care. After all that, one should use financial data to help assess the efficiency and access to care.

An obvious and disturbing problem with POVD is the use of charge data alone as a basis to make health care choices, which can result in the selection of the lowest cost physician that is providing the lowest quality of care. This is especially true in primary care. A good primary care physician will have higher outpatient costs in visits, testing, consults, and pharmacy to meet the evidence-based guidelines for present standard of care. However, the patient will be healthier, more productive, and have fewer complications.

The Institute of Medicine (IOM), the Institute of Health Care Improvement (IHI), CMS and numerous health care think tanks have all agreed there is unacceptable variations in clinical care, delayed access to care and significant waste in our health care delivery system. However, they have learned that using financial data tied to diagnoses and procedures does not identify good health care. There are many reasons for this outcome, but the most important are as follows. CPT coding, which drives charge data, lacks standards of application, doesn't reflect the services rendered and often can result in competing diagnoses, which inhibits the assessment of treatment of the clinical disease being studied.

I want to re-assure you, many efforts based on clinical quality, service quality, and costs are underway in Wisconsin. The Wisconsin Medical Society supports these efforts. An example is the Wisconsin Collaborative for Health Care Quality that is composed of 21 Wisconsin Health Care Systems and major Wisconsin purchasers. The Collaborative has published 42 health care quality indicators for hospital patients and outpatients for each

of their organizations. This effort to determine common definitions for standards of clinical care and reporting them in a format that consumers can utilize is the direction the state needs to enhance.

Also, the BHI Board has had a great concern over the costs and benefits of POVD. The board is gathering budgetary information as well as reporting data status to assess the effectiveness of POVD. In over 3 years, the POVD project has been very slow to produce useable data because of factors ranging from the need to develop new software platforms to obtain data from health care providers to acceptable accuracy of the data.

In summary, the Wisconsin Medical Society wants to be a leader in defining, implementing, and reporting clinical based information that can help consumers and purchasers make the most informed decisions. POVD cannot, by definition, provide the needed information. I strongly believe an audit will reveal its limitations and show it is actually a detriment to providing the best health care value for all Wisconsin residents.

I urge all of you to approve the Audit on Physician Office Visit Data program.

Thank you.

Testimony of Department of Health & Family Services
Secretary Helene Nelson
Joint Legislative Audit Committee Meeting November 16, 2004

Introduction

- I appreciate the courtesy of the Committee in giving me this opportunity to testify before you consider authorizing an audit of the Physician Office Visit Data system, or POVD.

- My testimony today will be in two parts. In the second half, I will provide some specific information about the history and operation of POVD in our Department. First, I will testify on the vital importance of better health information to create solutions to high health care costs and other health care issues In Wisconsin and the nation. In the next session as the Legislature considers the future of POVD, I strongly urge that you make those decisions in the context of the truly extraordinary opportunity we have to improve health care through improved health information.

Creating Solutions for Health Care Costs and Quality through Health Information

- As legislators you know as well as anybody that the people of Wisconsin are worried about health care in our state. Is it affordable? Is it accessible to us when we need it? Is it safe and effective? These are concerns raised by private sector employers, government, and individual citizens of all ages and walks of life. They want us to find a better way to deliver good quality health care at an affordable price to everyone who needs it.

- Anybody who thinks about this problem understands that the challenges of health care are complicated, and there is no single silver bullet or quick fix to the problem.

- But I am struck by the fact that leaders in business, health care, academia, government and others are talking about common strategies for a high road solution to really address the underlying costs - not just shift them from one payer to another or from the present into the future. The good news is that this high road solution focused on ways to control costs while actually improving the health of people and the quality and safety of the medical care they receive.

- Smart solutions to high health care costs include at least these three basic strategies: a substantial effort to promote health lifestyles and prevent illness and disability; a substantial effort to transform health care to provide better quality, safer and more cost-effective care; and a stronger and smarter strategy by health care payers to use their purchasing power to give incentives to both health care providers and consumers to make cost-effective health care decisions.

- All three of these key strategies will depend on better health information – to support public or population health strategies; to support health care system quality and safety

improvements; and to support smart use of purchasing power by payers. Without better health information, none of these strategies will work.

- Just last month, the organization Competitive Wisconsin unanimously adopted 3 resolutions on health care which I also entirely agree with.

  * One resolution promoted prevention and healthy lifestyles by employers in cooperation with Government. I am so pleased to see this emphasis – because as you probably know, over 70% of the costs of health care are associated with serious, chronic diseases and those costs can be reduced by healthy lifestyles addressing smoking and obesity, for example.

  *The second resolution adopted the six long-range AIMS of the Institute of Medicine for health care that is safe, effective, patient-centered, timely, efficient, and equitable. This overall systems approach will help confront the reality that much of current care – many experts say 40% or more – is not cost effective because it is either an overuse, underuse or misuse of care. This includes high costs of medical errors, high costs of expensive treatments that could have been avoided by timely early and preventive care, and the like. Evidence-based medical practice and business techniques of quality improvement are the necessary and long range answer to this system problem. Essentially the system needs to improve so people get the right care in the right place and right way, and at the right time.

  *Finally, the third Competitive Wisconsin resolution strongly encouraged public reporting of quality and price information for health care, including encouraging the state government to endorse and facilitate such public reporting as well as appreciating the private sector initiatives that are contributing to that end. This will support effective purchasing strategies that are based on value – good outcomes for a reasonable price – and which can provide both health care providers and patients the incentives to make smart health care decisions.

<u>Better Information for Health Care Improvement</u>

- Experts and key stakeholders almost universally agree that improved health information and technology are a critical strategy to improve public (population) health outcomes and the quality, safety and efficiency of health care delivery. Better information needs fall into four categories:

  - Public health and health policy analysis.
  - Clinical research and health care improvement
  - Quality improvement in health care delivery and health care system management
  - Consumer and purchaser information to help them buy for "value" and make informed health care and wellness choices.

- The healthcare system faces many challenges in adopting health information technology. Compared to other sectors of the economy, the industry spends relatively

little on IT (less than 2.5% in health care compared to 11% in the financial sector for example). There are many barriers to getting where we need to get with health information technology, but it is important that we find ways to incentivize this automation to promote quality, safety and data resources for improvement.

- However, Wisconsin has some promising, though very incomplete, developments in health care automation and development of usable information for quality improvement. In Wisconsin, besides public information at DHFS, we have developments like the Wisconsin Hospital Association Checkpoint Initiative and a group called Quality Collaborative (now representing about 40% of the state's health care delivery) which are developing good, usable outcomes of quality/safety in the settings they represent.

- At the same time, public and private purchasers are pressing for more and better information on "value" (quality/outcomes compared to price) and information that is more complete, consistent and highly transparent for users. A health care purchaser coalition has been formed, including Employee Trust Funds and Wisconsin DHFS Medicaid program as well as a range of other purchasers, exploring ways to leverage joint purchasing power through effective use of health information. Wisconsin people participate in national forums about quality measures for health care.

- Wisconsin is also leading the nation in its work on a Public Health Information Network, in collaboration with the CDC. This sophisticated health information system is a real asset which can become interoperable with other public-private health information efforts.

- However it is fair to say that neither private sector or public sector efforts have gone as far as we must to create the right and sufficient combination of information that links outcomes with price to allow purchasing for cost-effective care and fundamental systems reform over time.

- Many purchasers, including state agencies like ETF and DHFS Medicaid, are interested in strengthening data and the purchasing strategies based on data. In general, purchasers believe that these efforts could be strengthened by a more uniform, robust system of measures and more transparent reporting.

- This is where the link to POVD comes in. POVD was developed at DHFS based on a legislative mandate. POVD collects administrative data (billing system data) that sponsors expected to help purchasers understand pricing and assess how dollars were used in health care.

- In general, experts agree that administrative data sources can be useful. Nationally claims data is used to monitor quality and cost of care in the Medicare program, and organizations such as the National Quality Forum endorse the use of claims data for monitoring health care services.

- The federal Agency for Health Care Research and Quality (AHRQ) has developed safety and quality indicators that are based on claims data – and the agency promotes them for evaluation, accountability and financing.

- There is a national movement now to enhance the use of administrative data – the UB04 standard hospital claims form will have 10 new data elements for this purpose.
- At the same time, everyone recognizes that administrative data systems have inherent limitations. Obviously administrative data are not the optimum way to analyze and support clinical quality improvement. And furthermore, taken alone the billing data cannot answer questions about health care value taking into account the results or outcomes of care relative to price. Thus, we have the debate about whether or not administrative data are a readily available, and reasonable useful resource for health care improvement and purchasing decisions – or whether they are inadequate and not worth the imposition of reporting burdens and costs.

- Thus, some representatives of purchasers and health care quality organizations advocate for retention of POVD and strengthening the usefulness of the data that have been developed. It is possible to make more good use of the data than has been made, now that the system is in place. However, physicians and health care organizations argue that POVD's limitations outweigh its current or potential usefulness. There are also criticisms that have been made about the time taken to develop the system, and the fact that only now are the data being released and started to be used.

- Let me share some history and facts about the POVD system now.

<u>History of the Physician Office Visit Data Initiative</u>

- DHFS collected hospital discharge and freestanding ambulatory surgery (FASC) administrative claims data under statutory authority for the period 1988 – 2003. This data was used to create a public use data set, to generate health data reports, and to produce responses to customized data requests.

- Based on that data, in 1997 the Wisconsin legislature learned that hospital and FASC reporting indicated that a large number of key medical procedures had migrated from these settings to clinics and doctors offices. 44,000 patients had migrated from inpatient to ambulatory settings to the outpatient sector from 1993 – 1996.

- In order to understand the changing nature of health care in Wisconsin, the legislature enacted Act 231, a provision of which required the DHFS to begin collecting information from physicians about services provided by Wisconsin physicians in an outpatient office setting. The legislation also required DHFS to assess physicians licensed and practicing in Wisconsin for the collection, processing and dissemination of their data. Wisconsin is the only state now collecting this type of data.

- Administrative rules implementing the new requirements were effective 1 – 1 - 01. Since that time, DHFS has established the mechanisms to collect physician

assessments, hired staff, created the IT systems to support this effort, surveyed physicians, and designed and implemented the POV data collection program. Data has been collected since January 2002. The 2002 year was test data and not affirmed by physicians. Beginning with January 2003, the data has been affirmed and then released as public use data sets.

- The physician assessment funds two data collection efforts: the physician workforce survey and the Physician Office Visit (POV) data collection effort. Both of these efforts were assigned by DHFS to the Bureau of Health Information, under the supervision of the Board on Health Care Information that is appointed by the Governor.

The Physician Workforce Survey

- The first Physician Workforce Survey was initiated in June 2000 with final data available in May 2001. A follow-up survey is now being planned.

- Information from the 2000 Physician Workforce Survey is used for :
  1) A *Health Counts* brochure focused on information produced from the Physician Workforce Data 2000.
  2) To create a web-based Physician Directory attached to the consumer Guide to Healthcare web site. This directory will help patients find doctors suited to their needs.
  3) Analysis providing information for physician specialty follow-up surveys.

The Physician Office Visit (POV) Data System

- The POV Data System was established to collect, analyze and disseminate physician office visit data. To date, the Department has:
  - Built an automated system to support it, trained physicians and clinic staff and phased in data collection beginning with large clinics and medical groups with IT competence, more than 100 physicians, and extensive population coverage or unique issues.
  - Created public-use data sets and a data user guide to help purchasers understand appropriate uses and limitations of the data.
  - Accepted custom data requests and prepares recommendations for requests that require Independent Review Board attention.

- To date, for Phase I, the POV project has collected over thirty-five (35) million service records from 5,530 physicians who see patients. (Note: these service records can be aggregated by the Division of Public Health, using statistical methods, into estimated office visits or estimated patients.)

- All four quarters of 2003 and the first two quarters of 2004 public use data have been released.

- A new web-based data submission and editing system has been developed to make it easier to submit and edit data is being tested now.

- Reporting by Phase II data submitters will not proceed until the new POV data submission system is in full use by current data submitters.

- At their meeting on September 17, the Independent Review Board (IRB) decided not to permit release of physician license numbers as part of the Public Use Data set. Instead the IRB voted to consider the release of physician license numbers on a case-by-case basis in approved requests for custom data. The IRB indicated that they would revisit this issue, including the inclusion of physician license numbers in Public Use Data after IRB members accumulate experience with requested uses of the data.

- Currently, POV data analysts are conducting prototype studies to illustrate the value of POV data to the public health community and to other interested parties. I would expect that, like the hospital data developed by the Department and now contracted to the Wisconsin Hospital Association, the usability, and real use, of the data will develop over time if the system is retained.

Closing

- As a state government, we have a high stake in cost-effective purchasing of health care for low-income beneficiaries and government employees whose costs are paid by the taxpayers. We have a high stake, therefore, in making sure we partner with the private sector in getting good information about both the price and quality of care, including care in physician offices.

- Public and private health information and quality improvement initiatives underway in our state are encouraging. There is potential, however, for these various efforts to result in a fragmented and incomplete health information infrastructure. To get maximum impact on health care improvement, the public and private efforts need to be linked in a way that provides optimum transparency and comparability of information.
- I hope that we will consider the question of whether POVD should be continued or discontinued in the context of this broader analysis of how Wisconsin can achieve its goals for a solid health information infrastructure to meet purchaser needs, public health needs, and health care system quality improvement needs.

- I am very open to options in which POVD would be replaced by investment in more useful strategies with a broad base of support from both purchasers and providers. I envision the potential for a new public-private partnership to build on both private sector and public sector strengths and resources for the common good of the people of our state.

- I am working now with a wide range of stakeholders to discuss how Wisconsin might develop a statewide health information infrastructure, that is publicly accountable and publicly available, with both cost and quality data. I hope that we will be able to present the Governor and Legislature with meaningful alternatives that will help you meet your goals to promote better access to more affordable health care for all Wisconsin people.