

05hr_SSC-HCR_Misc_pt15



Details: Review of Health Care in Western Wisconsin. Hearing held in Eau Claire, Wisconsin on May 11, 2006.

(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2005-06

(session year)

Senate

(Assembly, Senate or Joint)

Select Committee on Health Care Reform...

COMMITTEE NOTICES ...

- [Committee Reports](#) ... **CR**
- [Executive Sessions](#) ... **ES**
- [Public Hearings](#) ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

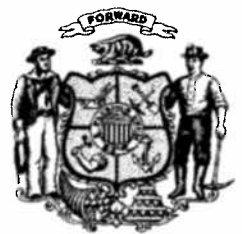
- [Appointments](#) ... **Appt** (w/Record of Comm. Proceedings)
- [Clearinghouse Rules](#) ... **CRule** (w/Record of Comm. Proceedings)
- [Hearing Records](#) ... bills and resolutions (w/Record of Comm. Proceedings)
 - (**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
 - (**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- [Miscellaneous](#) ... **Misc**

Chris Kustner &
Carolyn Kussor Both
Had to leave &
Won't Be Testifying





WISCONSIN STATE LEGISLATURE



Carol Roessler,
Committee Chair
Notes

Solutions

Rep. Terry
Moss

Cost
Quality
Access

Family Care \$ follow
PASH

too. those who can't help themselves

Evan Claire TC college
Dental School →
Tripp

John - ^{H. Care} Vested Right - should be

Dentists →

Mark Miller
Systemic change.

Luther Everyone benefit by
\$ 17,000 per yr. for her employees

Peter: Okama - Ukraine

Pharmacist Dentist
can't be. my us

Peter Farrow

Get away incremental - Days to do it wrong

Wrong intention

Cost shift us - chasing Evans, Fitt

DATA
Focus - Driving of
Wellness Badge can't state
Providers

Nat'l Institute of H.P.

Lack of funding Base

10-20

u u u u u

5 ————— administrator

N LHP Org data

Friction, payment

more model H. Care consumer.

medical advantage

Xcel Energy - energy

1100 Employees

2004 135 million
30 mill = emp.
Pick up share

500 benefited. 20-40 hr/wk

130 Non benefited

monthly costs? 50-100 per individual

10-40 - 1yr. to 2yr.

3yr. ...
3yr. L+P

20% of cost

may - 100, a year

How classified when hired.

Really please w/ insurance
Pay a lot less than what they get.
→ pay;

length of term → extend

Retirees -

\$ 700 - 1300 per mo.

Wellness internal

Blue Print - 4 Types of diseases -
change symptoms.

Proactive

lifestyle? ans.

Exercise

Fruit

Exercise

Health news letters to homes

EAP - need of inc

Smoking cessation - 20-40% per year
Health cost

Exercise Programs.

Temporary employees - not eligible
for coordinate

Insurance carrier

Personal accountability - Drawing / gift.

- Competition

- Trinkets

- Promote activities

Publish ~~at~~ what's ~~at~~ free annual.

GOV

Dr. Haberman

Periodontal Disease

Ca

Sealants = just another tool
Patients need a dental home

~~Fluoride varnishes = NOT cure~~

all =
purpose

\$2m 14,000 - Charity = not
health care

Medicaid 15-20% Practice = Medicaid
40-45% Normal Fee Overhead
about 60%, NOT paying
Cost

90% Dental

Way. make Dental. Care - Priority.
75th Percentile ^{Post and Educ.}

* 2¢ for tooth cents since Medicaid
Trust Fund to
+ treat dental mt.

\$60 million

Dental Clinic Marshfield

Priority Rents Rates
FQHC - wked into -
2¢ for tooth cents

less than 10% current Medicaid
= oral health.

Cardio Vascular & heart disease
4% preponderant care

10-15% - increases. Worked going backwards.

HSA not only for high income
can be.

~~Emphasize~~ Resumptive -
375 employees
Large employers too.

HSA's - for the Rich. Rich can
afford

- is the little guy = HSA's
44 states tax exempt. / Gov. 44%

Renal

Current non connected non
integrated set of care
info. source & technology, etc.

★ Med school senior John Urbauer
- we need family care specialist - health
system is as you

Bob Phillips

- new client
waste redundancy utilization

EXERCISE
LOW
Healthy Choices
Quantity:
reduces
costs

Example

anti: Quack Clinics medical regime
- nurse phys. protocols - up nose

Less than 20% competitors -
= hospitalization medical down
hospital side. Population in H.M. based
Strategy.

OBESITY
TYP 2 Diab
Heart Smoking } = preventable

4 or 15 TOP 1

7th lowest. Med Care
TOP 10 Medicare pop.

Margin = 20% = Marshfield Clinic.

NOT cut in MA/1

Reinsurance pool for catastrophic
insurance.

decreases

state
new
rule

stop
LOS

Not Schools Schools

Business

Bike Paths
walk paths

Local Banks.

Bank

Tax credits for employers.

Medical Journal

Round trip miles for life

< HC Costs

< Ins costs

wellness

cost-cutting.

Outcomes How Pay based on Φ
Outcomes

TYPE II Diabetes

Heart Disease

Obesity

70% of Care costs = PREVENTABLES

50-60% technology - cost driven

Epidemic Medical Progress

CTS > 34%

MRF > 23%

> 2003

Chris
Lokken

Win 1 in 14 MRI
State of Manitoba has 3
Canada

35-45 - men
35-75 ~~38~~ - TRIPPLE ATTENTION

Money, their pocket vs \$
in ~~the~~ + us co's pocket.
We can actually help it out who
are sick better control
Save \$ by

back
at ourselves

Exercise
Dumb
moderation
= pt of
st.

Premiums HSA eligible = 17% ^{Net}
~~deductions~~ Premiums
Uninsured = 30% ^{2004 - 2005} using.

A lot of \$ into hands of 29,000
39,000/4

Chris
Lokken

Johnson Insurance Services
member of the US Association H. Ward
Wilmington.

Call
your
CPA

out

wk budget Care, so can stay
on it.

< uninsured, people on govt
\$.

Small Bus EX

3,000 mo cover 4 employees

Premium savings 1-1200 per mo.

\$1800 per mo

Deductible $\frac{5\%}{1500}$ - Drug card office visit copay
 $300 - 400 - 500$

Use that \$ down

Stays in his pocket.

Employer 30-40% savings

helping there

Federal tax
free now.

Chris
LOKKE

20 mil 30 car = Same
80 " 30 car = Price

Good job taking care of yourself that \$ is
there

tax breaks = financial incentive to do HSA's

Small envy = get people skin in the game

Preventative every dollar net

100% Routine.

- Well child care.

way Unlimited ~~child~~ care.

deductible
low Send \$ to ins co. and co using for
routine maintenance.
Auto insurance. - pay own oil change flat
tire

150 dollars yr bill

USA. - Routine maintenance, gets
aside for.

45% increase to ^{reduction} 25% in premiums

think worse. - \$ put in by Employer
= to get here.

Separate Payee from User = subsidize service.

Farmers High Risk Populated in
3 Plans into. Leg.

Delivers

~~Re insurance~~

Mtg
Cont'n

Renewal

Dee Edington Univ. Michigan
old Renewal Health Risk Mgmt
Reduction

Henry Chapman Summit Co.

corp

People need incentives

Tax breaks

Core Technology - need to make

Will pay back 6 or 8 X

Plan design.

If u smoke = want me to pay
for it - no - you'll pay more
Keep

Core

Plan

INCENTIVE

Health = 40% of salary
starts teacher salary

Cost shift premiums
up more = less affordable
if then more uninsured
- Get out of cost shift by
every 1 insured -
General payroll temp employees
corp - 15% business believe all
costs - 8-10% up -

School Dist.

School Dist
\$31m
4.8m 4.8
15400
Budget

of med.
memorandum

14.6 special
17.3 / Ed
of costs to 20
of total budget
4.4 m.
special
ed =
less than
we costs

W&AC

Christine Eggers -
1520 Fairway
Eau Claire

What's diff. in calling it a
Premium or a tax.

Howard Business Review - How better create

H.C. Keeping same thing over & over
↳ relationship

★ Payer will only pay for
cheapest.

✶ In premium model paying same
\$1. - out of premiums
20. per hr. Same as 7.00 per hr.

Health Affairs Policy Journal 200
over 50% due to medical costs.
No low income person p

Business not going to solve problem
11 different programs - levels adm
cost

20.

HSA'S

HEALTH and LONG TERM CARE

Expansion of the Cancer Drug Repository Program

I authored 2005 WI. Act 16 which expands the cancer drug repository program to include drugs for other chronic diseases. Participating medical facilities and pharmacies will accept unused, unopened, individually packaged prescription drugs from individuals and redistribute them to uninsured and low-income patients.

Cancer Clinical Trials

I lead the effort to require health insurance plans to pay for any *routine patient care* administered in a cancer clinical trial that would otherwise have been covered if the insured were not enrolled in a cancer clinical trial.

Mental Health Treatment for Minors

Previously, minors 14-17 could refuse mental health treatment and could sign themselves out of treatment. I passed legislation allowing parents to consent to mental health treatment on behalf of their minor children age 14-17.

Consumer Driven Health Care

I co-authored the Public/Private Partnership Data Act that will foster greater transparency of health care costs and outcomes through reporting of data, providing scrutiny and reform in the health care system. This effort will lead to an improvement in the quality of care provided, greater efficiency within the health care system, greater access to healthcare cost and quality information and greater control over health care costs.

Multiple Sclerosis Tax Check Off

I co-authored legislation creating an income tax check-off to fund health related services for people with multiple sclerosis.

Medical Malpractice Cap

To maintain Wisconsin's stable medical malpractice environment and keep physicians in this state, I co-sponsored 2005 WI. Act 183 to create a limit on non-economic damages of \$750,000.

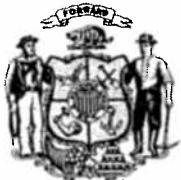
Expansion of Family Care

Eight years ago I led the effort to create the Family Care pilot program which provides home and community services for elderly and disabled individuals in need of long term care. The pilot program eliminated waiting lists and saved taxpayer money in five pilot counties including Fond du Lac. Family Care also allows individuals in need of long term care to receive services in the most appropriate placement. Family Care directs state and federal funds to follow the person instead of the person moving to receive services. Act ___ will expand the program to more counties.

Additional Long Term Care Options for Older Adults

I authored 2005 WI. Act 355 to create a pilot program that provides more opportunities for people to stay in their apartment, group home or assisted living facility when the **only** reason for transfer to a nursing home is that they've used up all their financial resources. Now, 150 people will be served in the less costly, more appropriate facility of their choice.

Keepin' mind help.
Sessions
Health Comm.
Cut down
production



WISCONSIN STATE SENATE
MAJORITY LEADER
DALE W. SCHULTZ

For Review
to do
now

TO: Members of the Committee on Senate Organization
FROM: Senator Dale W. Schultz, Chair
DATE: March 17, 2006
SUBJECT: Committee on Health Care Reform

Major Report
During interim
hearings

[MOTION] To create the Committee on Health Care Reform. The committee shall be a Senate select committee. The committee shall study the laws and regulations of this state relating to health care, specifically the underlying causes of rising health care costs to individuals, local and state government and private companies. The committee shall issue a report and recommendations, which may include legislation.

Upon agreement of the co-chairpersons, the committee shall hold hearings and take testimony. The committee may hold up to 5 hearings in Wisconsin at locations outside of Madison, except that after May 31, 2006 no hearings may be held at locations outside of Madison. Committee members and the committee clerk may be reimbursed for actual and necessary expenses incurred in attending any hearing outside of Madison. Such reimbursement is not charged against the Senator's office account.

Office
Clerk
duties

The Legislative Council Staff shall provide staff counsel to the committee, who shall attend every meeting of the committee and assist the committee clerk with the production of documents for the committee. The Sergeant-at-Arms shall provide staff support at any hearing held outside of Madison.

New
bulletin

The committee shall consist of 3 Republican members and 2 Democratic members, all appointed by the Majority Leader. The two Democratic members shall be appointed based upon nomination by the Minority Leader.

AMEND
Ballot
to delete
report

No later than September 13, 2006, the committee shall issue its report and recommendations to the Chief Clerk for distribution to each Senator.

Do
nothing
Home to be
Sen.
end session
auto testimony

But not
have to
abide by

2007

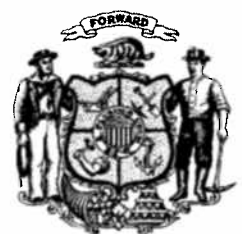
new
list

Report's
Recommendations

interim
report
this fall.



WISCONSIN STATE LEGISLATURE



Jennifer Stegnall,
Committee Clerk
Notes

5-11-06

Pete Farnow - GHC

- Submitted written (long version + purp. pt.)
- A lot of work + excess in the system - need to be more efficient

- Data transparency - Very important

- 2 areas of opportunity

① Reduce demand by improving overall health + creating more effective consumers

② Improve quality

- Wellness programs - aggressive employer-based wellness programs produce savings.

- GHC - no inc. in h.c. costs after 1st yr. on site

CR → Please provide evaluation of program.
Also - Lamy Chapman - Washington ^{BadgerCare} Contact -
Pls provide contact info

- Disease management

- GHC moving toward Predictive Modeling to identify people with chronic conditions.

CR → Wants specifics on GHC plan from Peter

- Recommendation to state - Req. adults to be non-smoking or enrolled in qualified smoking ~~cessation~~ cessation programs.

- Improve quality of care → GHC has \$500,000 in grants to providers for quality improvement projects.
- Liability Reform
 - Limits should encourage practice of evidence based medicine.
 - Diff. limits could be applied when clinician is using evidence-based protocols versus when ^{unproven} tech. used.
- State could create bonus payments to encourage quality initiatives or reporting programs.
- Create a mandate - reduced option.

§ 1555 - Fed. bill that would decrease flexibility and push cost out & reach for some small and medium businesses.

^{Exp} Quest - Do you think Hosp. should be able to advertise

Ans - no.

^{Exp} Quest - should hosp. share tech - or each have + out do the other

Ans - diff. to determine when they should be collaborating.

Can programs clummy in the past.

Darling - What 3 things should we focus on?

Ans - ① Data

② changing perspective on state programs to look ^{at} quality

③ wellness programs - state emp. + B.C.

Should be diff. consequences in place for those following E.B. procedures + those just making it up.

A.D. Do you think an inc. in cig. tax would get kids to stop smoking or just smoke more?

Ans - not sure - haven't followed close enough.

R.B. - Neg. impact of removing cap is # of diagnostic tests that may take place.

Ans - Any sense if this started to happen after cap removed?

Ans - not removed for enough time for major behavior changes.

by Lancaster, Xcell Energy

- written? ok ok's stuff

- 130 temp. ^{employees} non-benefitted: this is because of the cost of health care.

- temp. employees may be employed 1-3 yrs.
(LFE)

- when 1st hired - expected to stay for a season.

length of time gets extended depending on volume of work

- 135 million spent in '04. \$30 million spent by employees

- monthly premiums - increased by 50-100 dollars per person this past yr.

- Employees pay 20% of the cost ; Kel pays 80%.
- 700 - 1350 a mos. paid by retirees.
- ~~Blue~~ print program - takes @ 4 div. - helps employees manage
- Do health risk assessments
- Sent out health newsletters
- Lunch time seminars on diff. health issues
- Smoking cessation program (30/40 employees have seen decrease in health care exp.)
- Wellness programs in place
- diff ex. equip available
- Trying to be proactive.
- State could coordinate a group plan for uninsured
- Incentive personal responsibility to their own health

AD - what 3 things do we need to focus on

- Ans - ① Publicize ^{editions} programs # people know
 ② Group plan idea - + member pointed out we have done.

is
 send
 copy
 make to

Dr. Kent Vandehaar

- WPA member
- on Bd of trustees
- Submitted written
- rate of new + re-occurring cavities is heart wrenching @ times
- Attributes to lack of fluoridation in water + soda/juice consumption.

- placement of sealant + fluoride varnishes — not a vaccine against cavities — just another tool to help against cavities
- most decay happens in concentrated population. mHA pop.
- Donates Dental / Charity not a H.C. system.
- 60-70% overhead costs.
- Has stopped taking ^{new} MA patients
- Supports 2 Cents for tooth cents
- 60 million a yr. could be generated
- less than 1% of MA bud. spent on dental. Nat. Dent. Assoc. recommends that 20% be spent.

Rich Johnson — Co-Chair of Community Health Alliance

- written?
- 10 yrs ago — 900 people — made shoes —
- now 6/100 — no one could afford air shoes
- Long term solution — need to change way you reimburse providers — needs to be based on quality of care provided + positive outcome
- H.C. system — not like a business — seems like a monopoly.
- not enough competition

- People running H.C. system are maximizing reimbursement by making up for it by charging businesses ~~not~~ inflated charges.
 - Businesses can't keep pushing costs onto employees
- Debbie Hayden

- Hidden tax is a big issue
- Re-iterated agreement of Rich's comments.
- Pls. look carefully @ HSA's.
- Are providing HSA option to employees.
- HSA's not only for young, single people or for only large employees

OK
Info -
Send to
Brian

- Bruce
Bob Hogstad seems to be
- Consensus here is that major H.C. issues are w/ small employees but Rich + Debbie are w/ large employees + are screaming about the costs
 - Large employees are feeling the pain too.
 - HSA's are not for the rich - they are for the little guy.

Shelley Ekbal - APRN

- Has been an anesthetist for 15 yrs
 - Submitted written
 - 6/05 W. Va. 1st state to allow nurse anesthetists to practice independently
- OK

- nurse ans. paid less than anesthesiologist — small clinics will use nurse ans. — its cheap
- Wants PNP's to cont. to ~~pr~~ prac. independently.

D. Bob Philips

- Marshfield Clinic
- written testimony
- Practicing internist
- 732 phys
- 5,900 odd staff
- Have research foundation that publishes per ne. articles a year
- Have a security health plan.
- Partner w/ FQHC to provide care to uninsured.
- As a system — are alarmed by cost of H.C. → committed to do their part
- H.C. system is non connected, non-integrated
- All centers are connected with ~~the~~ electronic medical records.
- Clinical decision support — moving toward this. Using evidence based prac.
- Med school debt pushes phys. into specialties when they will be paid more.
- Problem is we need ~~the~~ primary care phys, internists, pediatricians.
- Reimb. system needs to change
- Tech. clearly does contribute — pharmaceutical costs contribute
- Waste, redun larry, over utilization — feel those

Can be addressed. Marshfield part. in fed. demonstration proj.

- See writer for info. on cumm
- " " re: SEM info.
- Marshfield doesn't turn anyone away based on ability to pay.
- Supports Check of effort + recently signed data leg.
- Thinks W.B. res. efforts should be geared toward the C SEM report recs.

L.O. who do you think is going to do the H.C. Savings - who has the largest ability to do ↓ Cost.

Ans - All have a responsibility. Multi faceted ans. to problem.

The SEM recs ~~that~~ the first. Should be asked of policy or initiatives - does it address any of the C SEM recs. / ~~not~~ aims no quick fix.

Will take commitment, work + a vision.

W.B. 7th last stat for MA COSTS

L.O. What type of inc. is sustainable or acceptable.

Ans - the people that will testify to this.

Q ~~What~~ what are Marshfield's cost increases -

Ans - 100% @ less than double digit increases - this is the goal

L.O. People frustrated w/ med. system. Repts are pushing for govt to take over - single payer system.

when do you see us going? What ^{mean to} m.c.

Ans - more supp. of ins. payer plan.

Wouldn't be very supp. of single payer proposal. Private sectors ~~has~~ are ~~being made to~~ making strides - just not happening as fast as ~~the~~ people would like.

As we imp. quality - costs will come down.
- We are only part of ~~the~~ the equation.
- Wellness is part of this.

Miller - Tackles wellness initiatives in schools.

Dr Phillips - Community Coalition - needs to be healthy food in schools.

Businesses need to offer wellness prog.

Community needs to offer walking paths etc.

Local bank has incorporated a gym & incentive to get a reduced premium if certain ~~go~~ goals that are met.

~~_____~~

Q Have you taken a community role in smoking

Ans - We support the Smoke Free organizations.

We also supp. tobacco tax increase.

Q Do you personally think workplace should be smoke free?

Ans as a whole -> support smoke free workplaces (personal choice)

AD - ① Why is h.c. in US higher than other states?

② What can state do to address issues - you said in the Green Lane we should part in dem. proj - can you expand?

③ What 3 things should we focus on.

Ans ① - You heard from folks in mks -

- Underpayment for public proj. does affect other aspects of H.c.

② The phys. group dem. project model - move toward DR-mgmt. Pay for performance.

③ - Standardize best practices so that across state phy practicing @ same level of prac

- Be more efficient (technology helps - electronic med recs; getting guid./cert into the real time)

- Base rules + regs on 6 SDM aims.

AD - Put 5-6 people in a room to get a group of people together - who should they be to help us?

Ans - Dr. Philips - can't name 6 people -

AD - organizations -

Hospitals, Businesses, Health plans.

Exp - How much does it cost m.c. to serve all?

Ans - Community Benefit rep - last yr. provided \$10 million in free care

\$111 million between serving uninsured & care compensated w/ low reimbursement.

- Has a drug eval. committee that has ~~to~~ ^{to} ~~not~~ use the most efficient generics.
- High immunization rates.

David Fish - St. Joseph's

- WTA

- Submitted ~~card~~ booklet + 22 page writers comment
- H.I. touches everyone.
- Must focus on marginalized + poor. Group must often forgotten.
- Not convinced that a market place ~~is~~ not ~~competitive~~ working.
- Community needs assessments - should be done.
- Look @ providers across the spectrum.. make sure they are involved. Stakeholders have to be part of this effort.
- Stop chaise - adequately fund programs.

AD - What can we do

Ans - In short term - do what you're doing - go around state - collect info.

② Long term - address tech issues - ~~reimbursement~~
Identify those issues.

A.D. - you talked about consequences for actions -
what do you think about lig tax me.

Ans - Need to step up + aggressively attack issues +
like this one.

Ep - need to then look @ other behavior + taxes on
those

Ans - not opposed to look - ~~need to look at~~
~~national investment~~



AD - would you supp. only having fed regis
rather than state + fed regis - ~~is~~ eliminates 2
layers?

Ans - 1 layer would be better than the 2 layers
we have but not sure just adopting the
feds is the best. Need concise, obj. discussion
about it.

Q. - To q MA payments you have? Acknowledging
rates are low.

Ans - To q his bus. is MA.

Q. we need to, as a state, get our own
house in order.

~~is~~ ^{David} 549 million shifted to private employers
because of low MA numb. rate.

Mark Miller

Chris Lottken

~~Mike Conlin~~

Written?

- People are using HSA's
- Johnson Sns. Services
- Need to get people & Gov't roll
- Personal responsibility must be taken.
- He is 31 - he lost 70 lbs after diagnosed w/ Type II diabetes
- " exercises daily
- essential to work together

Exp: Walk me through co that provided ins now providing HSA's

Ans - Small group now of 4 people. Paying 3600 a mo for 4 employees. Probably looking in area of 1000 - 1200 monthly premium if he goes private HSA plan. Employee - we are raising deductible to 1500 but we are giving you 300 - 400 for your HSA acct.

~~Write~~

~~Q~~

Q.O - What does it cost per person that you deal with? His gross 200 budget per yr.

Ans - to have anything he needs

Q Presentative Core

Ans - they will not sell an HSA plan if it ~~isn't~~ including ~~offering~~

Mike Conlin - NFIB, writer?

- 17 people employed
- covered H.C. from day 1
- ~~covered~~
- D+2 use msa's
- Split savings w/ employees equally.
- Wife + daughter take Imvex for migraines - 125 dollars -
cheaper for higher dose pills - now they split the sales ~~1500~~
\$ 15000.
- supports HSA's - has been a great tool for them.

~~Das~~

- went from 45% inc. to 20% decrease in cost for H.C.
after using HSA's / ~~msa's~~
- People abuse the system because there is a disincentive
between the cost of the system + the payers.

Russell Ratsch

- written submitted (1 page H.C.)
- supports some kind of universal / single payer plan.
- ~~structured H.C. 2048 age~~
- CR Rep. views of NFIB
Ans - no - notified of hearings by NFIB - not here to
promote the views of NFIB.

Mike Burke - written? → ^{will submit @} late date

- Rep for Gas Elec Clean Sch. dist. members.
- Believes Collective bargaining is working in WZ
- New PBM - Reduced drug costs by \$17.0 million in 1st yr.
- 210 gprs in 03-05 cycle went to point of service plan

Lynn Odette

- Submitted written - pur pt presentation
- Manages wellness programs for WEA trust.
- Working on opm battle
- Older population - everyone getting older - people living longer

Biologics drugs - two's of dollars a mos.
(used to treat cancer, rheumatoid arthritis, MS) (upward of 10-15 thousand a mos)

- Has new PBM that allows for indiv. patient management.

- Presenteeism vs. absenteeism

- P. 4 - Increase in costs vs. increase in risk

~~lose more in people that show up that aren't~~

Transforming medical management. All about prevention, teaching, self responsibility.

- Get you many back when you keep healthy people healthy.

- P. 5 - where opp for population health mgmt.

written
slides

- Health Risk Assessment -
Questionnaire

Recommends that all employers do this

- Eval. will give a score - how @ risk are you.

CR -> what copy

- Core technology appraisal

~~Emp~~ Concerned with people's rates being det. based on what might happen to them.

- \$25.00 incentive to participate (with trust members)

- Change in costs = change in risk

- Overall - cost per risk reduced ^{\$} 215; cost per risk avoided = ~~\$ 34~~. Prevention is key.

- Cumberland, St. Croix Cont showing stars participating in grant program. Sch. dist. gets \$ back for every ~~person~~ person participating in the assessment. Here to use \$ to address the risk in the areas.

Public Speakers

gs stopped out

AFL-CIO person - man (Bauer)

- Supports the ~~AFL~~ AFL-CIO plan.



Margaret ——— Schults

- Supports single payer plan

- Schults Brd member

Rees ① 100% coverage / single payer

② education of employees of the value of benefits

Jerry Hamil

- Submitted written ^{collect}
- Need law that states either way - must ~~consider~~ consider private sector benefits. ~~with~~

Christine Eggers

- Hosted prog - community forum on H.C. (April 29th)
- Part D
- Res. nurse
- Has worked in large hospo - rec'd - now teacher here - CHA program
- Patient care is critical
- Cost shifting (Harvard Business Rev.) ^{article}
- H.C. about people
- Providers do the procedure the provider will pay for - when they only pay for the cheapest procedure & the patient comes back, it is the provider who gets blamed.
- ~~No way a person of law can~~

JS notes

Jennifer Stegnall,
Committee Clerk
Notes

**SENATE SELECT COMMITTEE ON HEALTH CARE
REFORM
MAY 11, 2006
CHIPPEWA VALLEY TECHNICAL COLLEGE
EAU CLAIRE**

PETER FARROW, GROUP HEALTH COOPERATIVE

- General Manager and CEO of Group Health Cooperative, Eau Claire.
- Submitted written testimony.
- There is a lot of waste and excess in the system-need to be more efficient.
- Problem with the system is that it is structured to pay incrementally...for each service provided. If a procedure isn't done right the first time, they get paid to do it again. Providers have no incentive to focus on long term outcomes or on quality, and actually have a disincentive to pursue quality.
- To drive significant improvement in health care, we need to rise to a different level of thinking that is prepared to challenge every aspect of what we do.
- Taiwan: Town residents pay their local physician when they are healthy. When they get sick, they don't have to pay the physician. What better way to focus on prevention than that? They get what they pay for.
- Data transparency is very important.
- 2 areas of opportunity:
 - Reduce demand by improving overall health and creating more effective consumers.
 - Improve quality.
- Better quality is necessary...When they receive health care, Americans receive appropriate care 55% of the time.
- Wellness programs-aggressive employer-based wellness programs produce savings. GHC had no increase in health care costs after the 1st year on site.
-CR REQUEST: Please provide evaluation of program. Also provide contact information for Larry Chapman-Washington contact.
- Disease Management...GHC is moving toward predictive modeling to identify people with chronic conditions. This system looks back at 6 months worth of claims data and runs the data through complex analysis

systems. From there the modeling system can predict 1 or 2 percent of or population that is most likely to experience a preventable high-cost event. Once identified, our case management nurses can assist the member to determine why their health is not stable.

-CR REQUEST: Wants specifics of GHC plan.

- Six Sigma in Health Care...a process improvement discipline that was born in the manufacturing environments of companies like GE and 3M. The technique has been brought to health care as a means to improve quality in both delivery of care and administration of health care.
- 3 years ago, GHC, Marshfield Clinic, Sacred Heart Hospital, St. Joseph's and the Chippewa Valley Tech College began a six sigma for health care training program for staff members.
- Through these programs, teams have implemented dozens of projects that have either improved care quality or improved the administrative efficiency of providing the care.

Question and Answer

Erpenbach: Do you think hospitals should be able to advertise?

Answer: No.

Erpenbach: Should hospitals share technology or should each out do each other.

Answer: It is difficult to determine when hospitals should be collaborating. Certificate of Need programs have been clumsy in the past.

Darling: Some say because we invest so much in those who don't have private insurance, we are crowding people off of private insurance and into the public programs.

Answer: You hear a lot about that but when you really look at this and break it down, you don't see this happening as much. Haven't seen a good quantification of this-but know it's happening.

Miller: Where is the waste? Where are the areas to cut waste?

Answer: Areas to cut waste...

1. Pursue evidence based medicine
2. Evidence Based administration of health care.
3. Reduce transaction costs

4. Create a more model health care consumer

Miller: How do we implement wellness as part of public policy.

Answer: Good question-will need to get back to you on public policy initiatives that can be pursued. Will check with Larry Chapman (Washington contact).

Miller: You suggested we differentiate between practices that are part of evidence based treatment but you could engage in evidence based treatment and make a significant mistake that affects the quality of life of the patient.

Answer: It's not a perfect idea. It would need a lot of work but there should be different consequences in place for those physicians following evidence based procedures versus those who cause damage because they didn't know how to do a procedure properly..those who just make it up.

Darling: Do you think an increase in the cigarette tax would get kids to stop smoking or is that just a smoke-screen?

Answer: Not sure-haven't followed close enough.

Brown: A negative impact of removing the med. mal. cap could be the number of diagnostic tests that are performed by physicians. Any sense if this started to happen after the cap was removed?

Answer: The cap was not removed for a long enough time period for major behavior changes.

Darling: What 3 things should we focus on?

Answer: 1. Data

2. Changing perspective on state programs to look at quality

3. Wellness programs for state employees and BadgerCare recipients.

Recommendations

- Require adults participating in MA to be non-smoking or enrolled in qualified smoking cessation programs.
- Improve quality of care...GHS has \$500,000 in grants it will give to providers for quality improvement projects.
- Liability Reform...limits should encourage practice of evidence based medicine. Different limits could be applied when a clinician is using

evidence-based protocols versus when unproven techniques are used.
Attempt to differentiate between “mistake” and unproven or ill advised activity.

- The state could create bonus payments to encourage quality initiatives or reporting programs.
- Create a mandate-reduced option. Let businesses decide the need rather than mandating that certain things be covered.
- S1555 (Peter thought this was the federal Senate bill #)...this bill would decrease flexibility and push cost out of reach for some small and medium businesses.
- Wellness programs.

JOY LANCOUR, XCEL ENERGY

- No written testimony submitted.
- They employ 130 temp. employees, non-benefited. This is because of the cost of health care.
- Temp. employees may be employed 1-3 years.
- When the temp. employees are 1st hired, they are expected to stay for a season. They may be able to stay longer depending on the volume of work.
- Excel spent \$135 million in 2004 on health care expenses. \$30 million was spent by employees.
- Monthly premiums increased by \$50 to \$110 per person this past year.
- Employees pay 20% of the cost; Xcel pays 80%.
- Blue print program...helps employees manage healthcare.
- Xcel does provide health risk assessments.
- Xcel sends out health newsletters to employees.
- Lunch time seminars are offered on different health issues.
- A smoking cessation program is offered. 30-40 employees have seen decrease in health care expenses.
- Wellness programs in place.
- Various types of exercise equipment are available for employee use.
- Xcel is trying to be proactive.

Questions and Answers

Darling: What 3 things do we need to focus on?

- Answer:** 1. Publicize existing public programs
2. State should coordinate a state plan for the uninsured (members pointed out to her that there are plans in place, i.e. BadgerCare, Co-ops)

Recommendations

- Incentivize personal responsibility for health care.

DR. KENT VANDEHAAR

- Wisconsin Dental Association member.
- On the Board of Trustees
- Submitted written testimony.
- The rate of new and re-occurring cavities is heart wrenching at times. I attribute the number of cavities to the lack of fluoridation in the water as well as soda/juice consumption.
- The placement of sealant and fluoride varnishes is not a vaccine against cavities. It is just another tool to help against cavities.
- Most decay happens in a concentrated population...MA.
- He participates in Donated Dental, however charity is not a health care system.
- His overhead is 60%-70%
- Has stopped taking new MA patients.
- Supports 2cents for tooth cents.
- 60 million a year could be generated from 2 cents for tooth cents.
- Less than 1% of the MA budget is spent on dental. The National Dental Association recommends that 20% be spent.

○ RICH JOHNSON, MASON SHOE COMPANY IN CHIPPEWA FALLS

- Co-Chair of the Community Health Alliance
- No written testimony.
- 10 years ago had 900 employees to make shoes. Now have about 400.
- People running health care system are maximizing reimbursement by making up for it by charging businesses inflated charges.
- Businesses can't keep pushing costs onto employees.

Recommendations

- Long term solution-need to change way you reimburse providers-needs to be based on quality of care provided and positive outcomes.

DEBBIE HAYDEN, LEADER TELEGRAM

- Hidden tax is a big issue.
- Re-iterated agreement of Rich's comments.
- The Leader Telegram provides an HSA option to employees.
- HSA's are not only for young, single people. They are also not only for large employees.

Recommendations

- Please look carefully at HSA's. Need a state tax deduction.

BRUCE HOGSTAD

- Representing himself; no written comments.
- The overall consensus seems to be that major health care issues are with small employers but Rich and Debbie are with large employers and are screaming about health care costs.
- Large employers are feeling the pain, just like the small ones.
- HSA 's are not for the rich-they are for the little guy.

Recommendations

- State tax deduction for HSA's.

SHELLEY EKBALD, WI. ASSOCIATION OF NURSE ANESTHETISTS (WANA)

- Submitted written testimony.
- Has been an anesthetist for 15 years.
- In June 2005, WI. became the 14th state to allow nurse anesthetists to practice independently.

- Nurse anesthetists are paid less than anesthetists, therefore smaller clinics will use nurse anesthetists to save money.

Recommendations

- Continue to allow nurse anesthetists to practice independently.

DR. BOB PHILLIPS, MARSHFIELD CLINIC

- Submitted written testimony.
- Marshfield Clinic has 732 physicians and 5,910 additional staff.
- They have a research foundation that published peer review articles.
- They have a security health plan.
- They partner with a Federally Qualified Health Center to provide care to the uninsured.
- As a system, they are alarmed by the cost of health care...they are committed to do their part.
- Health care systems are not connected and are non-integrated.
- Today's health care system is more properly characterized as a "non-system." Overall, it is delivering exactly what one would expect from a product or service whose components were designed over decades by hundreds of thousands of different people without specifications, without an overall plan and without the requirement that the various elements should fit together effectively into an integrated whole.
- 41 centers are connected with electronic medical records.
- Clinical decision support—moving toward this. Uses evidence based practices.
- Medical school debt pushes physicians into specialties where they get paid more. The problem is that we need primary care physicians, internists and pediatricians.
- Reimbursement system needs to change.
- Technology clearly does contribute to the cost of health care. Pharmaceutical costs contribute as well.
- Waste, redundancy, over utilization are contributors that can be addressed. Marshfield Clinic is part of a federal demonstration project (pay for performance).
- Most of the drivers of health care cost are interconnected...few, if any are isolated problems.

- We need, as a state and nation, to reach agreement on the nature and causes of the problems and then subscribe to a common vision for what the future health system ought to be and how it ought to work. The formula is 1) Standardize everything and 2) Continuously eliminate waste in the system.
- Spring of 2001, the IOM published “Crossing the Quality Chasm: A New Health System for the 21st Century.”
- The IOM offers the vision of a system transformed into one that is: 1) safe; 2) Effective 3) Patient-centered; 4) Timely; 5) Efficient; 6)Equitable.
- The report puts patient needs at the center of the system.
- Marshfield doesn’t turn anyone away based on ability to pay.
- Marshfield supports the Checkpt. effort and recently signed data legislation.
- Thinks WI. regulatory efforts should be geared toward the 6 IOM report recommendations.

Question and Answers

Olsen: Who do you think is going to drive health care savings? Who has the largest ability to drive down costs?

Answer: All have a responsibility. A multifaceted answer to the problem is needed. The question that should be asked of policy or initiatives is whether they address any of the 6 IOM recommendations/aims. There is no quick fix. Change will take commitment.

Olsen: What type of increase is sustainable or acceptable?

Answer: There are other people here that will testify to this.

Olsen: What are Marshfield’s cost increases?

Answer: Looking at less than double digit increases...this is the goal!!

Olsen: People are frustrated with the medical system. People are pushing for government to take over, i.e. a single payer system. Where do you see this going? What does this mean to Marshfield Clinic?

Answer: More supportive of insurer payer plan. Wouldn’t be supportive of single payer proposals. Private sectors are making strides-just not happening as fast as people would like. As we improve quality-costs will come down. We are only part of the equation...wellness is part of this too.

Miller: Touch on wellness initiatives in schools.

Answer: There needs to be healthy food in schools. Businesses need to offer wellness programs. The Community needs to offer walking paths etc. The local bank in Marshfield has incorporated a gym and incentive to get a reduced premium if certain goals are met.

Roessler: Have you taken a community role in smoking?

Answer: We support the smoke free organizations. We also support a tobacco tax increase.

Roessler: Do you personally think workplaces should be smoke free?

Answer: As a physician, I support smoke free workplaces.

Darling: 1. Why is health care in Wisconsin higher than other states?

2. What can the state do to address issues-you said in the Gielow hearing we should participate in a demonstration project-can you expand?

Answer: 1. You heard from folks in Milwaukee – underpayment for public programs does affect other aspects of health care.

2. The physician group demonstration project model-move toward disease management and pay for performance.

Darling: If you could put 5-6 people in a room to get a reform package together, who should they be to help us?

Answer: Can't name six people.

Darling: Organizations?

Answer: Hospitals, businesses, health plans...

Erpenbach: How much does it cost Marshfield Clinic to serve everyone?

Answer: Last year, provided \$10 million in free care. \$111 million between serving uninsured and care compensated with low reimbursement.

We have a drug evaluation committee that has physicians use the most efficient generics. Also have a high immunization rate.

Recommendations

- Standardize best practices so that across the state, physicians practice at the same level.

- Be more efficient (technology helps-electronic medical records; getting quality and cost information in real time)
- Base rules and regulations on 6 IOM aims (listed in his testimony).

DAVID FISH

- Executive Vice President of Saint Joseph's Hospital in Chippewa Falls.
- St. Joseph's is a member of the WHA.
- Submitted booklet...22 page written comment.
- Health care touches everyone.
- Must focus on marginated and poor. This group is most often forgotten.
- Not convinced that the market place is not working.

Questions and Answers

Darling: What can we do?

Answer: In the short term-do what you're doing-go around the state and collect information. In the long term, identify technical issues and address those issues.

Darling: You talked about consequences for actions-what do you think about a cigarette tax increase?

Answer: Need to step up and aggressively attack issues, like this one (smoking).

Erpenbach: Need to then look at other behavior and taxes on those.

Answer: Not opposed to looking at those.

Darling: Would you support only having federal regulation rather than state and federal regs...eliminate 2 layers?

Answer: 1 layer would be better than the 2 layers we have but not sure just adopting the feds is the best. Need concise, objective discussion about it.

Olsen: What percent of MA patients do you have?

Answer: 20% of his business is MA. \$549 million is shifted to private employers because of low MA reimbursement rates.

Olsen: We need to, as a state, get our own house in order.

Recommendations

- Community needs assessments should be done.
- Look at providers across the spectrum...make sure they are involved. Stakeholders have to be part of this effort.
- Stop charade...adequately fund state programs. Fully fund MA...get rid of the hidden tax.
- Positive incentives to help beneficiaries change unhealthy behavior should be a part of every MA program.
- Raise the tax on tobacco by \$1.00.
- MA should encourage the use of disease and chronic care management for elderly and disabled patients.
- Encourage a more robust private long-term care market through savings accounts or tax credits, etc.
- Anything done at the state or federal level relating to MA reforms must be based on sound policies that help the program fulfill its mission of improving the health of our neediest citizens.
- Dental Crisis needs to be addressed.
- Support HSA's
- Support cost/quality improvements...Checkpt. and Price Pt.

CHRIS LOKKEN

- No written (that I had from CR anyway).
- People are using HSA's.
- Johnson Insurance Services
- Member of the Wisconsin Association of Health Underwriters
- Need to get people off the government roll.
- Personal responsibility must be taken
- He is 31 and has lost 70 lbs after being diagnosed with type II diabetes.
- He exercises daily.
- It is essential to work together.

Questions and Answers

Erpenbach: Walk me through a company that provided insurance and is now providing HSA's.

Answer: A small group of 4 people...employer paying \$3000.00 a month for health care for these 4 people. With an HSA plan, this business is probably looking in the area of \$1,000 -\$1,200 for a monthly premium. To

the employee this means, we are raising your deductible to \$1,500 from \$300-\$500 but we are giving you \$300-\$400 for your HSA account.

Roessler: What about preventative care? (in relation to HSA accounts)

Answer: I will not sell an HSA plan without including preventative care coverage.

Recommendations

- Incentivize personal responsibility.
- Provide a state tax deduction on contributions to HSA's.

MIKE CONLIN

- Dynamic Displays in Eau Claire.
- Member of NFIB.
- No written testimony submitted
- 17 people employed.
- Did use MSA's at one time
- Split savings with employees equally.
- Wife and daughter take Imitrex for migraines at a cost of \$195.00. It is cheaper for the higher dose pills so they now split the pills and save \$150.00.
- Supports HSA's. Has been a great tool for them.
- Went from a 45% increase to a 20% decrease in cost for health care after using HSA's.
- People abuse the system because there is a disassociation between the users of the system and the payers.

RUSSELL RATSCH

- Ratsch Engineering Co., LTD in Eau Claire
- Written testimony submitted.
- Member of NFIB
- Supports some kind of universal/single payer plan.

Questions and Answers

Roessler: When you say you support a single payer plan, are you representing the views of NFIB?

Answer: No. I was notified of the hearing by NFIB but am not here promoting the views of NFIB.

MIKE BURKE

- Eau Claire teacher negotiator.
- Will submit written testimony at a later date.
- He is the representative for 900 Eau Claire school district members.
- Believes collective bargaining is working in WI.
- New PBM...reduced drug costs by \$17.0 million in the 1st year.
- 210 groups in the 2003-05 cycle went to point of service plans.

LYNN ODETTE

(somewhat confusing testimony)

- Submitted written testimony...power pt. slides.
- Manages wellness programs for WEA Trust
- Working on an uphill battle.
- Older population...everyone getting older...people living longer.
- Biological drugs cost thousands of dollars a month (upward of 10 to 15 thousand dollars a month). Biological drugs are used to treat cancer, rheumatoid arthritis, MS etc.
- Has a new PBM that allows for individual patient management.
- Presenteeism vs. absenteeism. Page 4 of her testimony...increase in costs versus increase in risk.
- Transforming medical management...all about prevention, teaching and self responsibility.
- You get your money back when you keep healthy people healthy.
- P. 5 of testimony....
- Health Risk Assessment...recommends that all employers do this.
- Evaluation will give a sense of how at risk employees are.
- **Erpenbach:** Expressed concern over people's rates being determined based on what might happen to them.
- WEA trust members are given a \$25.00 incentive to participate.
- Change in costs = change in risk

- Overall, cost per risk reduced \$215. Cost per risk avoided equals \$304. Prevention is key.
- Cumberland and St. Croix are participating in a grant program. The school districts get money back for every person participating in the assessment. They have to use the money to address the risk.

MARGARET BREISCH

- Menomonee Area School Board Member
- Submitted testimony via e-mail day after the hearing.
- Technology is a key cost driver.
- One factor that drives up the cost of health care is the “value added” component.
- Cost shifting is a problem.

Recommendations

- The state may be able to save money by creating incentives that would reduce the number of public employees taking health insurance through the state rather than through their spouse’s employer.
- Employers need to do a better job educating their employees about the value of benefits. It needs to be understood that a \$15,000 benefit is actually better than \$15,000 in salary due to the tax break and lower costs that come from group buying power.
- Supports AFL-CIO plan.

JERRY HAMILL

- Representing self/taxpayers.
- He is a retired CPA. Formally Controller Marshfield Clinic and Director of Finance for GHC.
- Submitted written testimony.
- Wisconsin taxpayers pay too high a share of the health care plans given to state, county and other public employees.

Recommendations

- Collective bargaining regulations must be modified so that comparables from the private sector have significant consideration in negotiations and arbitration.
- Private Sector comparables should also be mandated for consideration for the amount of co-pays required of employees per visit.
- Benefits for public sector employees should not be allowed to be greater than the average of the 5 largest private employers in the area, unless commensurate additional cost is added to the employee's share of the premium.
- Over a few years transition period, the legislature should mandate that unused sick pay be forfeited for no value given at the time of retirement.

DENISON TUCKER

- President of Northwest Counseling and Guidance Day Treatment Programs.
- Submitted written testimony.
- Senator Brown recommended that he testify.
- Review testimony...relates to working with DHFS to change administrative code with respect to degree and work requirements for mental health professionals, education requirements for clinicians and clinical services requirements.

CHRISTINE KISTNER

- Submitted written testimony.
- President and member of local union in Dunn County.
- Does not feel that real savings would be realized by using an HAS or defined benefit plan.
- Supports a single payer plan.
- Supports the AFL-CIO plan.