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📎 Details: Medicaid and Health Care Reform. Hearing held in Madison, Wisconsin on August 28, 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...

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 - (**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
 - (**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- [Miscellaneous](#) ... **Misc**

* Contents organized for archiving by: Stefanie Rose (LRB) (August 2012)

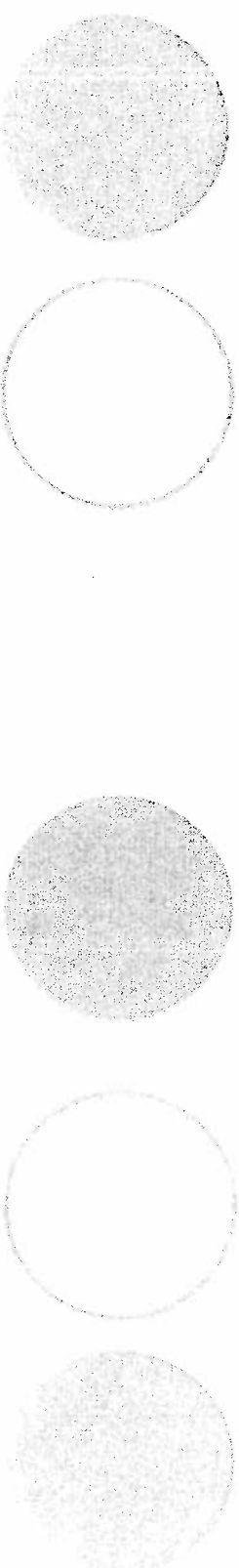
HEALTHCARE 2006: CAN WE AFFORD IT?



MIKE SHATTUCK, M.D.

THE PROBLEM IN PERSPECTIVE

- 10-20% OF THE BUDGET OF PUBLIC AND PRIVATE BUSINESS IS HEALTHCARE COSTS
- MEDICARE IS 12% OF THE NATIONAL BUDGET
- HEALTHCARE SPENDING IS 15.3 % OF THE GDP (*the most of any industrialized country*)
- SPENDING IS UP TO 1.8 TRILLION DOLLARS PER YEAR
- HEALTHCARE SPENDING IS 4.3 X'S THE AMOUNT SPENT ON NATIONAL DEFENSE

- 
- PREMIUMS FOR A FAMILY ARE BETWEEN \$12,000 TO \$16,000 PER YEAR OR \$1000 TO \$1400 PER MONTH
 - AVG US HOUSEHOLD INCOME \$43,318
 - AVG WIS HOUSEHOLD INCOME \$46,538
 - HEALTH PREMIUMS ARE EASILY 25% OF AVG INCOME

BERLIN SCHOOL DISTRICT DATA

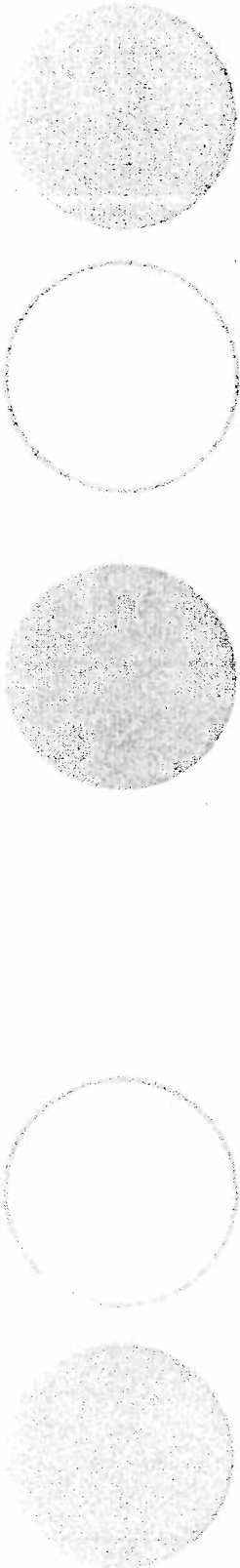
Budget Comparison

	TOTAL		INS.		% OF BUDGET	
	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
2005-2006	14,812,985	1,969,384	1,969,384	13%		
2004-2005	14,491,672	1,929,120	1,929,120	13%		
2003-2004	13,717,239	1,919,423	1,919,423	14%		
2002-2003	13,420,003	1,690,320	1,690,320	13%		
2001-2002	13,037,184	1,283,805	1,283,805	10%		
2000-2001	13,609,536	1,238,611	1,238,611	9%		
1999-2000	12,256,863	1,058,923	1,058,923	9%		
1998-1999	12,361,694	1,082,922	1,082,922	9%		
1997-1998	11,687,402	926,009	926,009	8%		
1996-1997	11,020,600	763,752	763,752	7%		
1995-1996	10,183,151	702,760	702,760	7%		
1994-1995	9,536,043	669,961	669,961	7%		
1993-1994	8,862,118	656,864	656,864	7%		
1992-1993	8,117,140	534,981	534,981	7%		

Family Health Insurance Premiums

FAMILY HEALTH INSURANCE PREMIUMS PROJECTION

	MONTHLY	YEARLY	INCREASE
99/00	\$ 585.40	\$ 7,024.00	
00/01	652.28	7,827.00	11.4%
01/02	787.70	8,852.00	13.1%
02/03	1,007.02	12,084.00	36.5%
03/04	1,092.28	13,107.00	8.5%
04/05	1,116.12	13,393.00	2.2%
05/06	1,190.26	14,283.00	6.6%
06/07	1,411.00	16,932.00	18.6%..... 13.84 Ave.
07/08	1,605.00	19,260.00	13.8%
08/09	1,826.00	21,912.00	13.8%
09/10	2,078.00	24,936.00	13.8%
10/11	2,364.00	28,368.00	13.8%
11/12	2,690.00	32,280.00	13.8%
12/13	3,061.00	36,732.00	13.8%

- 
- IS AMERICA TWICE AS HEALTHY AS IT WAS TEN YEARS AGO?
 - ARE AMERICANS GETTING WHAT THEY PAY FOR?
 - CAN AMERICANS AFFORD THE CURRENT SYSTEM?

HOW IS HEALTHCARE PAID?

- THIRD PARTY PAYMENT SYSTEM
 - ◆ PRIVATE INSURANCE
 - ◆ MEDICARE
 - ◆ MEDICAID
- SELF-PAY IS THE EXCEPTION

PROBLEMS OF A THIRD PARTY PAYMENT SYSTEM

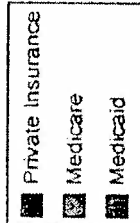
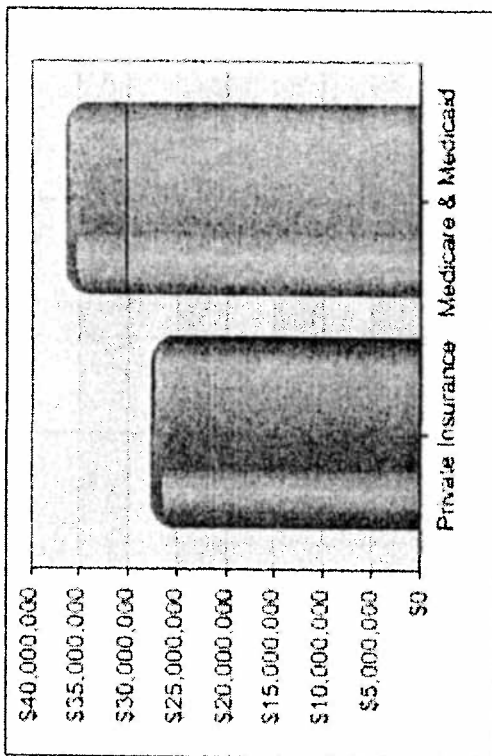
- **PATIENTS AND DOCTORS DON'T
KNOW WHAT SERVICES COST**
- **NO COMPETITION**
- **NO INCENTIVE FOR PROVIDERS
TO REDUCE COSTS**
- **CURRENT SYSTEM ENCOURAGES
SPENDING**
- **PRIVATE INSURERS NEGOTIATE
EXCLUSIVE DEALS**

PROBLEMS...

- INSURERS AND GOVERNMENT CAN DETERMINE WHAT THEY WILL PAY
- CURRENTLY PRIVATE COMPANIES PAY MORE TO MAKE UP FOR LOSSES → HIDDEN TAX

BERLIN MEMORIAL HOSPITAL CHARGE AND PAYMENT INFORMATION MOST RECENT FISCAL YEAR - ALL SERVICES

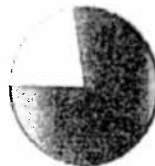
What is the selected hospital's "payer mix?"
A hospital's "payer mix" refers to the proportion of its total charges attributable to different types of insurance coverage.



The graphs below represent all services provided by the hospital; they are not specific to the selected service.

PRIVATE INSURANCE*

This facility collects an average of **78%** of its charges from private insurance.

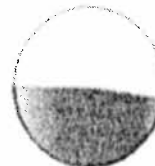


\$6,213,954 Charges Not Paid
 \$21,513,867 Charges Paid

*Payments negotiated with insurers

MEDICARE*

This facility collects an average of **48%** of its charges from Medicare.



\$15,730,646 Charges Not Paid
 \$14,504,146 Charges Paid

*Payments determined by federal government

MEDICAID AND OTHER GOV'T PROGRAMS*

This facility collects an average of **23%** of its charges from Medicaid.



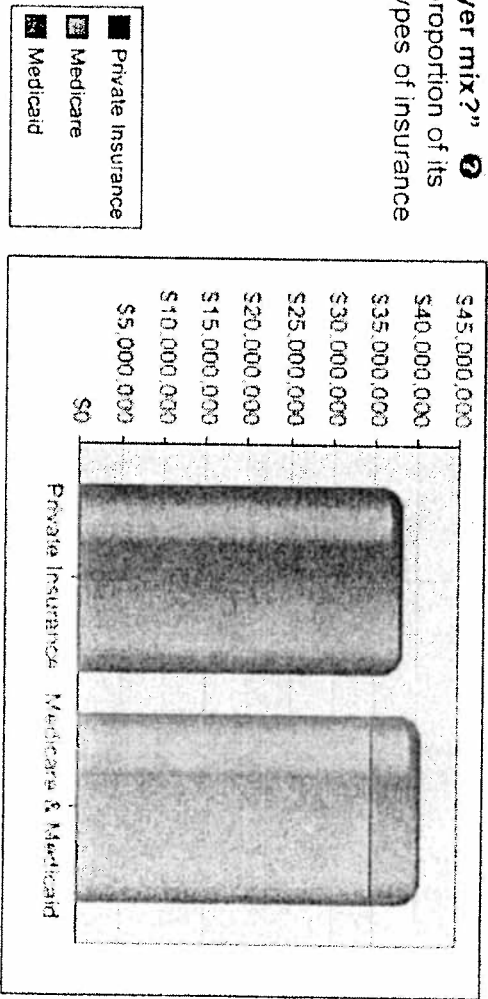
\$4,732,561 Charges Not Paid
 \$1,431,201 Charges Paid

*Payments determined by state/federal gov't

**AURORA MEDICAL CENTER OF OSHKOSH
CHARGE AND PAYMENT INFORMATION
MOST RECENT FISCAL YEAR - ALL SERVICES**

What is the selected hospital's "payer mix?"

A hospital's "payer mix" refers to the proportion of its total charges attributable to different types of insurance coverage.



The graphs below represent all services provided by the hospital; they are not specific to the the selected service.

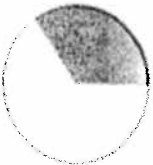
PRIVATE INSURANCE*

This facility collects an average of **80%** of its charges from private insurance



MEDICARE*

This facility collects an average of **35%** of its charges from Medicare



MEDICAID AND OTHER GOV'T PROGRAMS*

This facility collects an average of **38%** of its charges from Medicaid



- \$7,759,640 Charges Not Paid
- \$30,602,045 Charges Paid

*Payments negotiated with insurers

- \$22,739,430 Charges Not Paid
- \$12,232,754 Charges Paid

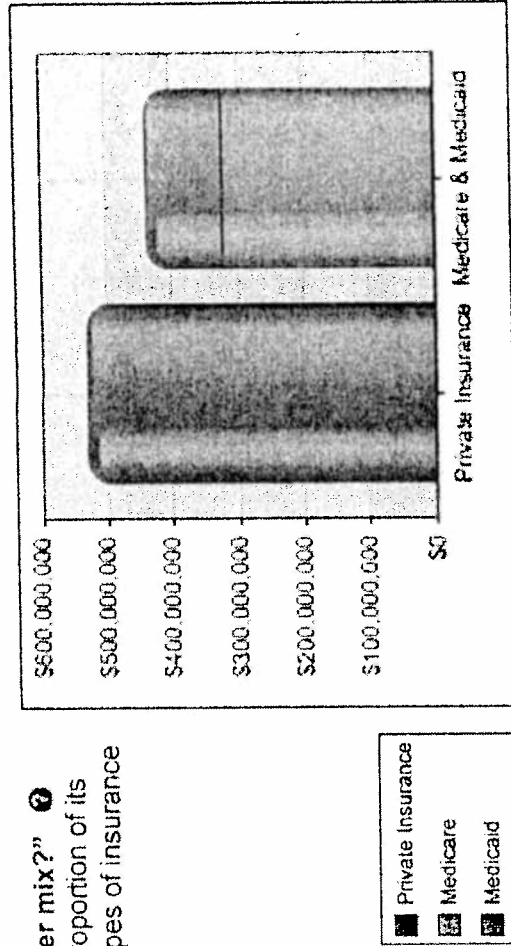
*Payments determined by federal government

- \$3,531,309 Charges Not Paid
- \$2,134,287 Charges Paid

*Payments determined by state/federal gov't

UNIVERSITY OF WI HOSPITAL & CLINICS AUTHORITY CHARGE AND PAYMENT INFORMATION MOST RECENT FISCAL YEAR - ALL SERVICES

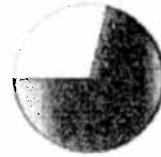
What is the selected hospital's "payer mix?"
A hospital's "payer mix" refers to the proportion of its total charges attributable to different types of insurance coverage.



The graphs below represent all services provided by the hospital; they are not specific to the selected service.

PRIVATE INSURANCE*

This facility collects an average of **71%** of its charges from private insurance.

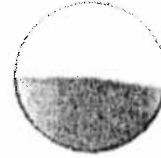


\$153,878,764 Charges Not Paid
 \$376,051,169 Charges Paid

*Payments negotiated with insurers

MEDICARE*

This facility collects an average of **47%** of its charges from Medicare.

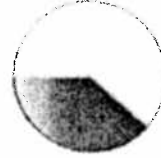


\$170,434,252 Charges Not Paid
 \$154,110,739 Charges Paid

*Payments determined by federal government

MEDICAID AND OTHER GOV'T PROGRAMS*

This facility collects an average of **38%** of its charges from Medicaid.



\$71,186,849.19 Charges Not Paid
 \$44,349,034.81 Charges Paid

*Payments determined by state/federal govt

WHY DOES MEDICAL CARE COST SO MUCH?

- **MEDICAL CARE HAS EVOLVED INTO A SERVICE INDUSTRY DRIVEN BY THE DESIRE TO MAKE MONEY**

HEALTHCARE CRISIS 2006

● *What has the most impact on the way you practice medicine?*

- ◆ Litigation Fear
- ◆ Drug Reps
- ◆ Insurance Companies
- ◆ Government Regulations
- ◆ Financial Gain
- ◆ The Best Interests of the Patient
- ◆ The Cost of Healthcare
- ◆ Patient Demands

Cost Factors

- Risk Factor Treatment
- Preventive Care
- Regulations
- Administrative Costs
- More Specialty Care
- Less Primary Care
- Litigation Fears
- Patient Expectations
- Aging Population

Cost Factors

- Advertising
- Prescription Drug Use
- Technology
- End of Life Care
- Under Utilization of Hospice Care

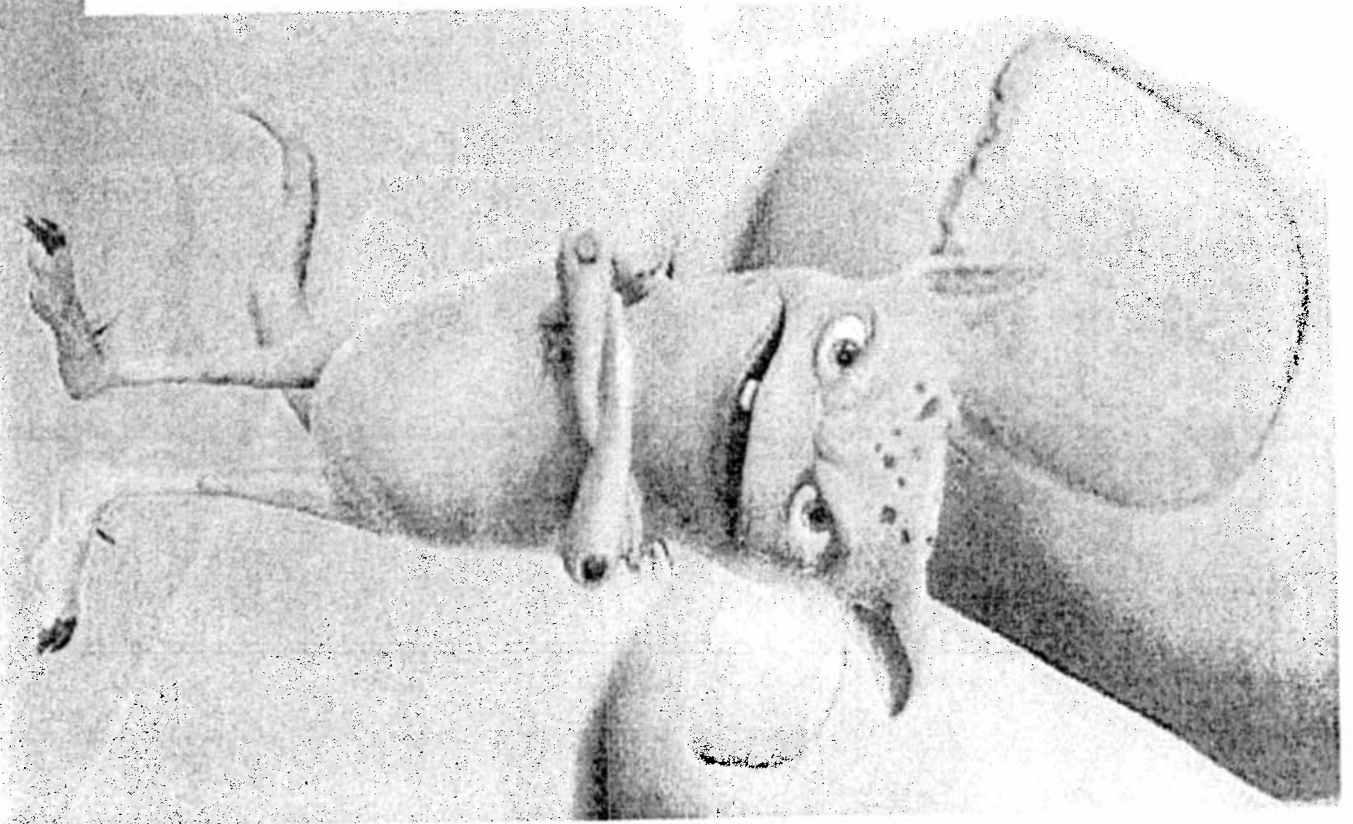
WHY IS PRIMARY CARE UNAVAILABLE?

- PRIMARY CARE PHYSICIANS ARE UNDERVALUED
 - ◆ BILLING SYSTEM OF MEDICARE
- CURRENT PAYMENT SYSTEMS ENCOURAGE DOING PROCEDURES

Lamisil Tablets target your nail fungus infection where it lives.

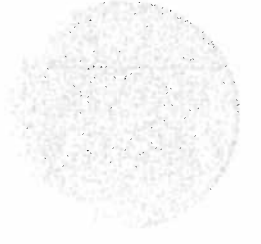
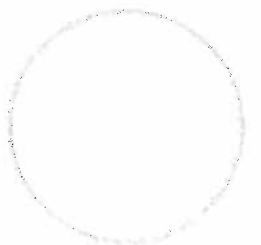
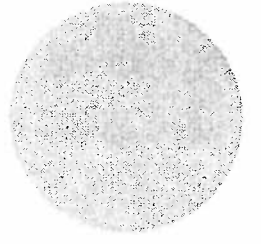
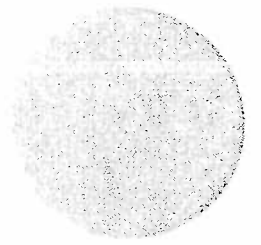
Without effective treatment,
nail fungus infections can
spread and may even cause
pain or tenderness.

- Take the symptom self-quiz
- Learn how Lamisil Tablets can help
- See a nail treatment timeline



ADVERTISING

- DIRECT TO CONSUMER MARKETING
- SCARE TACTICS
- INACCURATE INFORMATION



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the Drug Companies



AND THEN BEHIND US
AND WHAT TO DO ABOUT IT

MARCIA ANGELL, M.D.

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MARKETING PRACTICES

- DRUG REPS IN THE OFFICE
- MARKETING COSTS
- QUESTIONABLE DATA
- DISTORTING DATA

2000 Financials for U.S. Corporations Marketing Top 50 Drugs for Seniors

Company	Revenue (Net Sales in millions of dollars)	Percent of Revenue Allocated to:			The Five High 2000 Annual Chart 2
		Profit: (Net Income)	Marketing/ Advertising/ Administration	R&D	
Merck and Co., Inc	\$40,363	17%	15%	6%	
Pfizer Inc.	29,574	13%	39%	15%	Execut
Bristol-Myers Squibb Company	18,216	26%	30%	11%	William C. S Jr.
Pharmacia Corporation	18,144	4%	37%	15%	Chairman
Abbott Laboratories	13,746	20%	21%	10%	John R. Stal
American Home Products Corporation	13,263	-18%	38%	13%	Chairman ai
Eli Lilly and Co.	10,862	28%	30%	19%	
Schering-Plough Corporation	9,815	25%	36%	14%	
Allergan, Inc.	1,563	14%	42%	13%	

COSTS...

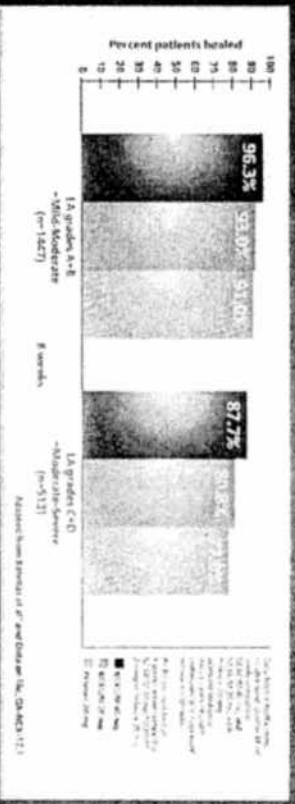
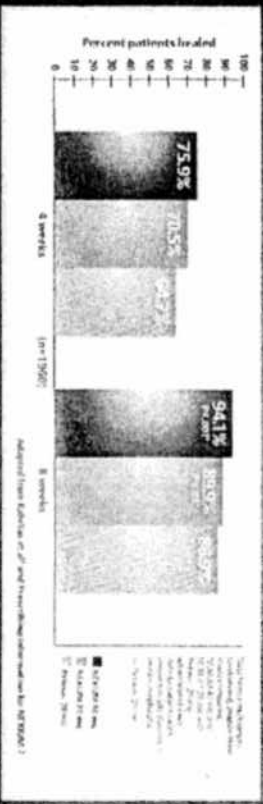
DRUG

TREATMENTS

In GERD patients with erosive esophagitis

NEXIUM® (esomeprazole magnesium) high HEALING rates

High healing rates vs. Prilosec (omeprazole)^{1,2}



Another study by Richier et al (n=2425) showed a statistically significant difference in healing rates for NEXIUM 40 mg once daily (93.7%) vs. Prilosec 20 mg once daily (84.2%) at 8 weeks ($p < .001$)¹

Two additional studies (n=148 and 1176, respectively) showed no statistically significant differences in healing of erosive esophagitis at 8 weeks between NEXIUM 40 mg once daily and Prilosec 20 mg once daily (92.2% vs 89.8%) and NEXIUM 20 mg once daily and Prilosec 20 mg once daily (90.6% vs 88.3%)¹

NEXIUM 40 mg and NEXIUM 20 mg are the FDA-approved doses for the healing of erosive esophagitis; Prilosec 20 mg is the FDA-approved dose for the healing of erosive esophagitis

NEXIUM 40 mg and Prilosec 40 mg have not been compared in clinical trials.

The most frequently reported adverse events with NEXIUM and Prilosec are headache, diarrhea, and abdominal pain. Symptomatic response to therapy does not preclude the presence of gastric malignancy.

COSTS...

DRUG TREATMENTS

POEMS

— Patient Oriented Evidence that Matters

All PPIs equivalent for treatment of GERD

Kirk RM, Posma MJ, Van Houw BA, Brouwers JR. Meta-analysis comparing the efficacy of proton pump inhibitors in short-term use. *Aliment Pharmacol Ther* 2003; 17:1237-1245.

■ Clinical Question

Is there any difference between proton pump inhibitors for the treatment of gastroesophageal reflux disease?

■ Bottom Line

There is no significant difference between equivalent doses of proton pump inhibitors (PPIs), including equivalent doses of esomeprazole (Nexium) and omeprazole (Prilosec OTC). The decision to choose one over another should be based first on cost and second on individual patient response. (Level of evidence: [LOE]=1a)

FAST TRACK

The decision to choose one PPI over another should be based on cost and patient response

patients were identified, most lasting 4 weeks.

No difference in effectiveness was seen for the following comparisons:

- pantoprazole 40 mg vs omeprazole 20 mg
- pantoprazole 20 mg vs omeprazole 20 mg
- lansoprazole 30 mg vs omeprazole 20 mg
- lansoprazole 15 mg vs omeprazole 20 mg
- lansoprazole 30 mg vs omeprazole 40 mg
- lansoprazole 30 mg vs pantoprazole 40 mg
- rabeprazole 20 mg vs omeprazole 20 mg
- rabeprazole 10 mg vs omeprazole 20 mg
- omeprazole 20 mg vs esomeprazole 20 mg

Only one comparison found a statistically significant difference between groups in the treatment of GERD: esomeprazole 40 mg vs omeprazole 20 mg (80% vs 67% response rate; $P=0.04$; number needed to treat=7). However, as noted above, a comparison in 1316 patients of equivalent doses of 20 mg esomeprazole vs 20 mg omeprazole found no difference in endoscopic healing.

Furthermore, the response rates for omeprazole 20 mg in the 2 studies comparing it with esomeprazole 40 mg were 65% and 67%—considerably lower than in other comparisons looking at this dose, in which the success rate was between 70% and 91%. This would make esomeprazole look more effective in comparison.

Thus, although this comparison has never been made directly, it seems very likely that 40 mg omeprazole (\$38 per month over the counter) would be similar in effectiveness to 40 mg of esomeprazole (\$124 per month).

Esomeprazole: 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 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3828, 3829, 3830, 3831, 3832, 3833, 3834, 3835, 3836, 3837, 3838, 3839, 3840, 3841, 3842, 3843, 3844, 3845, 3846, 3847

What is the Cost of the PPI's for One Month?

OFF THE SHELF SAVINGS

Prices for the two OTC drugs covered by the Minnesota health plans are shown in comparison with prices of prescription drugs in the same class. Information is from Walgreens (<http://www.walgreens.com/>).

	Availability	Strength	Supply	Price
PROTON PUMP INHIBITORS				
Prilosec	OTC	20 mg	28	\$21.99
Omeprazole (generic Prilosec)	prescription	20 mg	30	\$96.99
Prilosec	prescription	20 mg	30	\$121.99
Nexium	prescription	20 mg	30	\$150.99
ANTIHISTAMINES				
Claritin	OTC	10 mg	30	\$22.99
Zyrtec	prescription	10 mg	30	\$73.99
Fexofenadine (generic Allegra)	prescription	60 mg	60	\$79.99
Allegra	prescription	60 mg	60	\$93.99

Why Don't Patients Use Prilosec OTC?

- AGGRESSIVE MARKETING
- IT COSTS PATIENTS MORE
 - ◆ INSURANCE COMPANIES /
MEDICARE PART D DO NOT PAY FOR
OTC MEDS
 - ◆ THE CO-PAY IS LESS FOR THE RX
PPI THAN THE OTC MEDICATION

DRUG TREATMENT OF HYPERLIPIDEMIA

LDL-Cholesterol Goals and Cutpoints for Therapeutic Lifestyle Changes and Drug Therapy in Different Risk Categories¹

Risk category	LDL goal	LDL level at which to initiate therapeutic lifestyle changes	LDL level at which to consider drug therapy
Coronary heart disease (CHD) or CHD risk equivalent (10-year risk >20 percent)*	<100 mg/dL (2.58 mmol/L)	2100 mg/dL (2.58 mmol/L)	2130 mg/dL (3.36 mmol/L); drug optional at 100 to 129 mg/dL (2.58 to 3.33 mmol/L)*
2 or more risk factors (10-year risk <20 percent)**	<130 mg/dL (3.36 mmol/L)	2130 mg/dL (3.36 mmol/L)	10-year risk 10 to 20 percent: >130 mg/dL (3.36 mmol/L) 10-year risk <10 percent: 2160 mg/dL (4.13 mmol/L)
0 to 1 risk factor**	<160 mg/dL (4.13 mmol/L)	2160 mg/dL (4.13 mmol/L)	2190 mg/dL (4.91 mmol/L); LDL-lowering drug optional at 160 to 189 mg/dL (4.13 to 4.88 mmol/L)

¹ Adapted from Adult Treatment Panel III at <http://www.nhlbi.nih.gov/>
^{*} CHD risk equivalents defined in text. Ten-year risk defined by Framingham risk score (see text)
^{**} Risk factors that modify LDL goals include cigarette smoking, hypertension (BP ≥140/90 mmHg or on antihypertensive medication), low HDL-cholesterol (<40 mg/dL [1.03 mmol/L]), family history of premature CHD (CHD in male first degree relative <55 years or CHD in female first degree relative <65 years), age (men ≥45 years, women ≥55 years), HDL-cholesterol ≥60 mg/dL (1.55 mmol/L) counts as a negative risk factor; its presence removes one risk factor from the total count.
[†] Some authorities recommend use of LDL-lowering drugs in this category if LDL-cholesterol <100 mg/dL (2.58 mmol/L) cannot be achieved by therapeutic lifestyle changes. Others prefer use of drugs that primarily modify triglycerides and HDL (eg, nicotinic acid or fibrates). Clinical judgement may also call for deferring drug therapy in this subcategory.
[‡] Almost all people with 0 to 1 risk factor have a 10-year risk <10 percent; thus, 10-year risk assessment in people with 0 to 1 risk factor is not necessary.

Lipid Panel

CHOLESTEROL	155	0-200 mg/dL
TRIGLYCERIDES	119	35-135 mg/dL
LDL CHOLESTEROL	90	75-130 mg/dL
VLDL	24	0-45 MG/DL
HDL CHOLESTEROL	41	35-110 mg/dL
CHOLESTEROL/HDL RATIO	3.78	3.40-4.40 RATIO

INTERPRETATION:

1/2 AVERAGE CHD RISK = 0.0-3.3
AVERAGE CHD RISK = 3.4-4.4
2 X AVERAGE CHD RISK = 4.5-7.1
3 X AVERAGE CHD RISK = 7.2-11.0

We have received the results of your recent blood tests.
The findings are as follows:

LAB TEST	YOUR RESULT	NORMAL RANGE
Total Cholesterol	<u>122</u>	Less than 200
LDL (Bad) Cholesterol	<u>54</u>	Less than 100
HDL (Good) Cholesterol	<u>48</u>	Greater than 40
Triglycerides	<u>102</u>	Less than 150
ALT (Liver function)	33	(10-50)

On the basis of the above values, we would recommend:

- 1) The results are at goal for your heart condition.
- 2) Medication Recommendations:
Continue lipitor 10mg po daily

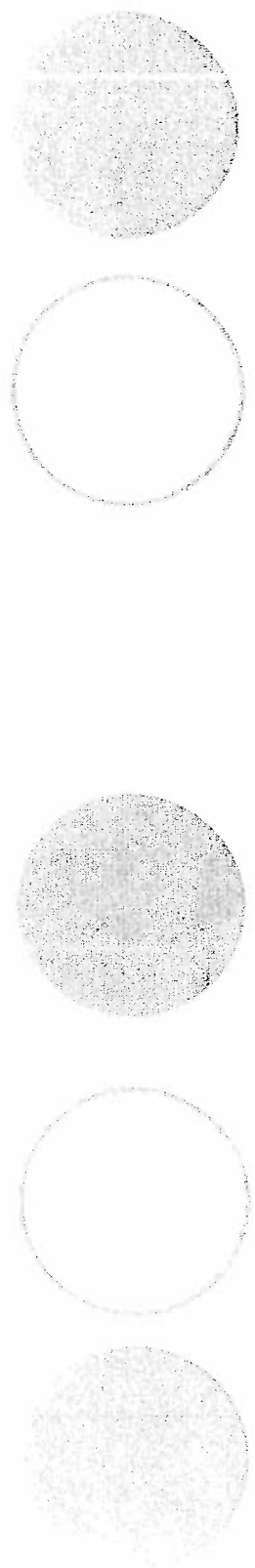
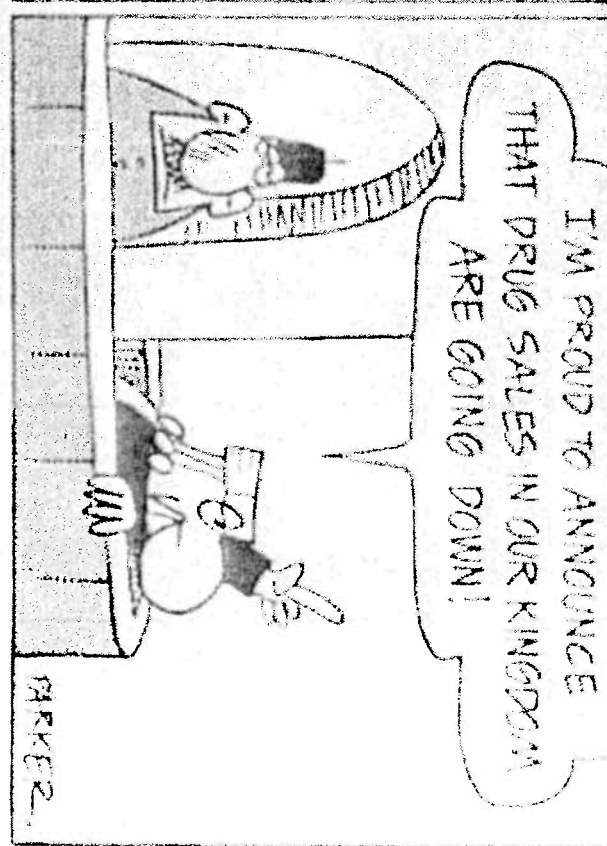
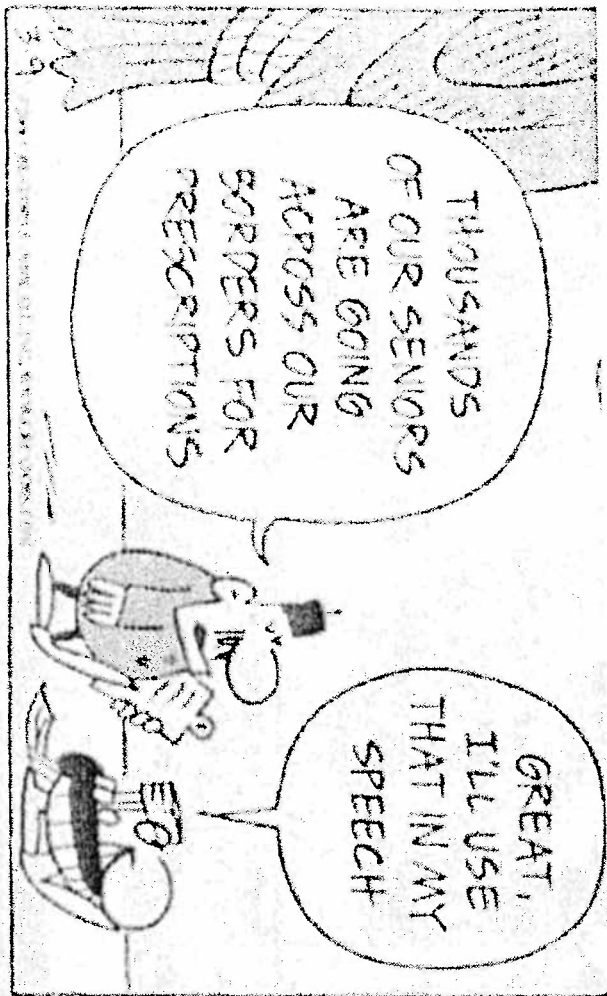
- 3) Continue your LOW SATURATED FAT & HIGH FIBER DIET and your AEROBIC EXERCISE PROGRAM.
- 4) Recheck your blood work again in 6 months - please call Dr. Mether
to arrange

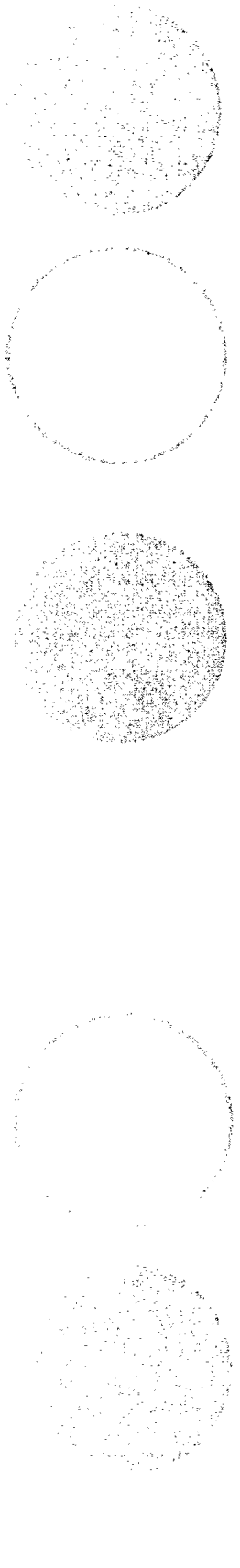
Canadian Drugs

SAME DRUGS

CHEAPER

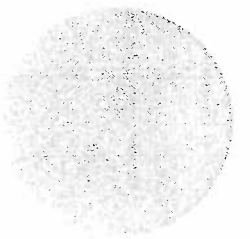
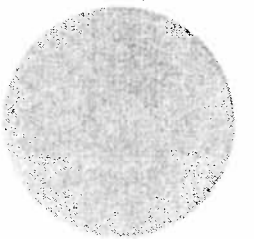
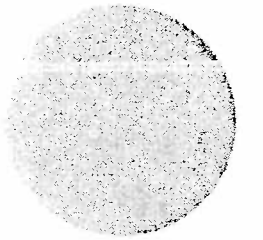
WHY ARE THEY ILLEGAL?





**WHAT CAN BE DONE TO ADDRESS &
CHANGE THE PROBLEM OF OUT-OF-
CONTROL HEALTH CARE COSTS?**

- ◆ The solution will likely NOT come from the Medical Community



NATIONAL HEALTHCARE?

- Physicians work for a salary?
- Government run centers?

EVALUATE & IMPROVE

- The way medical care is paid for
- Widespread care guidelines that are proven effective
- Research practices
- The patient's involvement in the decisions about the consumption of healthcare
- Prescription drug practices

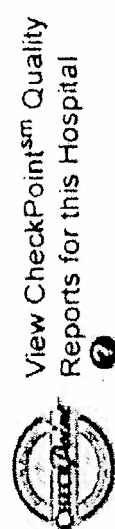
MEDICAL CARE PAYMENT

- Increase the value of primary care
- Decrease the value of performing procedures
- Pay doctors the same for providing the same service
- Allow patients the opportunity to pay out of pocket
- Have set costs for care that is available to the public
- Allow patients to shop for care

Berlin Memorial Hospital
 225 Memorial Dr
 Berlin, WI 54923
 920-361-5580

DRG 493 (LAPAROSCOPIC CHOLECYSTECTOMY W/O C.D.E. W CC)
 January 1, 2005 - December 31, 2005

	Selected Hospital	All Hospitals in this County	All WI Hosp. with Similar Patient Volume	All WI Hospitals
Number of Discharges:	8	8	367	2,369
Average Length of Stay:	3.4 Day(s)	3.4 Day(s)	4 Day(s)	4.5 Day(s)
Average Charge:	\$17,246	\$17,246	\$22,151	\$24,165
Average Charge Per Day:	\$5,110	\$5,110	\$5,534	\$5,315
Median Charge:	\$17,558	\$17,558	\$19,327	\$20,036



- Notes About this Table
- Understanding Facility Charge Information
- Why Charges May Differ Between Facilities

NR = 1 - 4 Discharges (Not Reported)
 = Show hospitals in that group

Select New Hospital

Select New Service at this Hospital

Aurora Medical Center of Oshkosh
 855 N Westhaven Dr
 Oshkosh, WI 54901
 608-274-1820

DRG 493 (LAPAROSCOPIC CHOLECYSTECTOMY W/O C.D.E. W CC)
 January 1, 2005 - December 31, 2005

	Selected Hospital	All Hospitals in this County	All WI Hosp. with Similar Patient Volume	All WI Hospitals
Number of Discharges:	13	64	26	2,369
Average Length of Stay:	3.5 Day(s)	4 Day(s)	4.3 Day(s)	4.5 Day(s)
Average Charge:	\$17,478	\$15,804	\$19,471	\$24,165
Average Charge Per Day:	\$4,940	\$3,920	\$4,480	\$5,315
Median Charge:	\$14,863	\$14,445	\$15,892	\$20,036

NR = 1 - 4 Discharges (Not Reported)
 ? = Show hospitals in that group

- Notes About this Table
- Understanding Facility Charge Information
- Why Charges May Differ Between Facilities



View CheckPointSM Quality Reports for this Hospital

Select New Hospital

Select New Service at this Hospital

University of WI Hospital & Clinics Authority
 600 Highland Ave
 Madison, WI 53792
 608-263-8025

DRG 493 (LAPAROSCOPIC CHOLECYSTECTOMY W/O C.D.E. W CC)
 January 1, 2005 - December 31, 2005

	Selected Hospital	All Hospitals in this County	All WI Hosp. with Similar Patient Volume	All WI Hospitals
Number of Discharges:	40	193	1,107	2,369
Average Length of Stay:	5.2 Day(s)	4.7 Day(s)	4.9 Day(s)	4.5 Day(s)
Average Charge:	\$23,634	\$22,251	\$26,375	\$24,165
Average Charge Per Day:	\$4,502	\$4,698	\$5,430	\$5,315
Median Charge:	\$20,792	\$16,544	\$21,387	\$20,036

NR = 1 - 4 Discharges (Not Reported)
 # = Show hospitals in that group

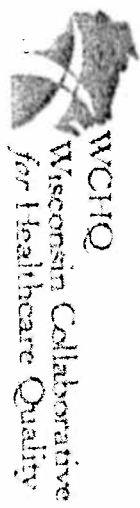
- Notes About this Table
- Understanding Facility Charge Information
- Why Charges May Differ Between Facilities



View CheckPointsm Quality Reports for this Hospital

Select New Hospital

Select New Service at this Hospital



Welcome to our Performance & Progress Report

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[View Reports by Topic or Category](#)

TYPE OF PROVIDER

- Physician Group
- Hospital
- Health Plan

All Regions

- Central
- Fox Valley
- North Eastern
- North Western
- Southern
- Western

[View Map of Regions](#)



AMBULATORY CARE MEASURES

- [WCHQ Exclusive](#)
- [Chronic Care **Updated**](#)
- [Episodic Care **NEW**](#)
- [Preventive Care **NEW**](#)

CLINICAL TOPIC

- [Access](#)
- [Critical Care](#)
- [Diabetes **Updated**](#)
- [Health Information Technology](#)
- [Heart Care](#)
- [Patient Satisfaction](#)
- [Pneumonia](#)
- [Surgery](#)
- [Women's Health **NEW**](#)

INSTITUTE OF MEDICINE CATEGORY*

- [Safety](#)
- [Timeliness](#)
- [Effectiveness](#)
- [Efficiency **NEW**](#)
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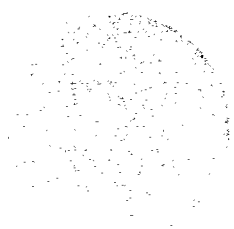
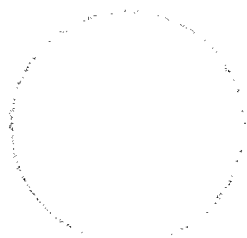
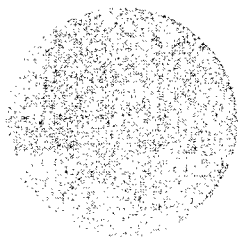
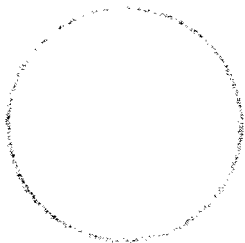
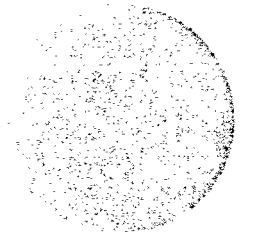
PO Box 258100, Madison, WI 53725-8100

Phone: 608.250.1223

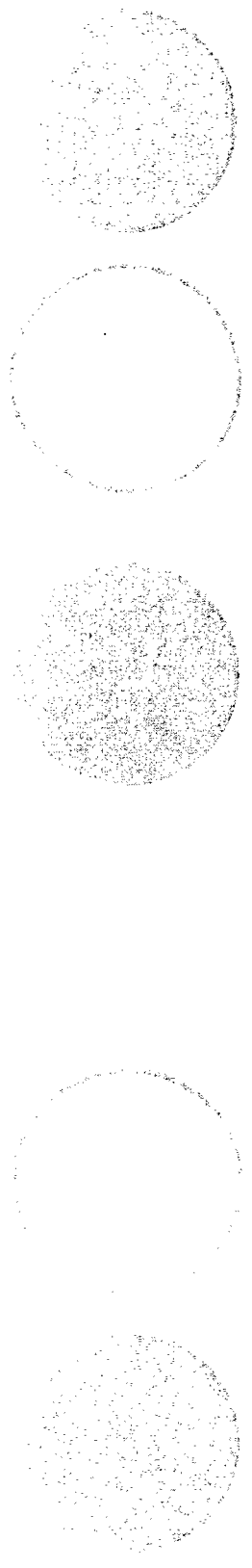
Fax: 608.294.3903

info@wchq.org

- Devise reliable evaluation techniques for hospitals, clinics, and doctors that are available to the public
- ‘Pay for Performance’ models



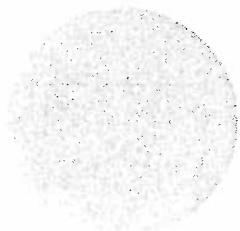
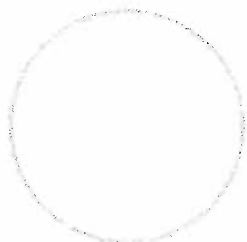
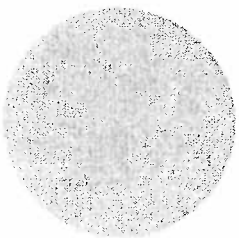
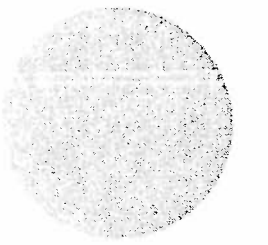
- **ALLOW FOR SOME “TRUE”
COMPETITION IN HEALTHCARE**
- ◆ Market-driven health care
- ◆ Patients making choices about
healthcare



Costs of Eye Surgery have gone down.

Why?

Patients pay out-of-pocket for these procedures.



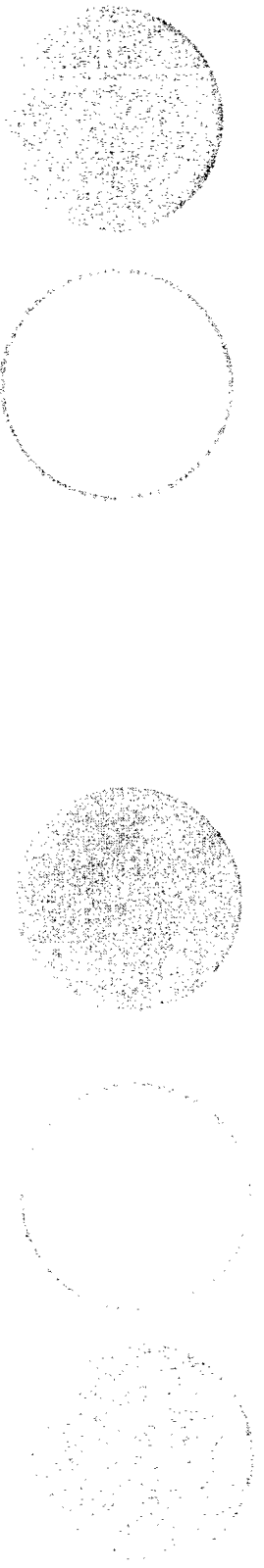
● **ADOPT HIGH-DEDUCTIBLE HEALTH PLANS**

- ◆ Large deductibles
- ◆ Linked to an insurance provider
- ◆ still eligible for discounts
- ◆ health maintenance covered
- ◆ rewards for healthy lifestyles
- ◆ HSA – tax deductible




ALLOW ORGANIZATIONS TO PROVIDE INSURANCE BENEFITS INDEPENDENTLY

- ◆ Why does the employer have to provide insurance?
- ◆ Why can't a small business owner, a factory worker, and a teacher be able to purchase the same health insurance benefits?

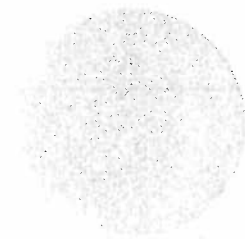
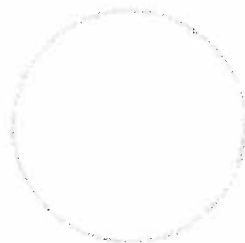
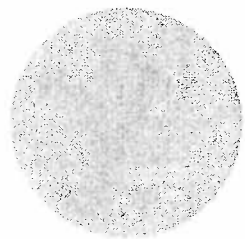
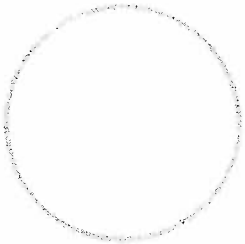
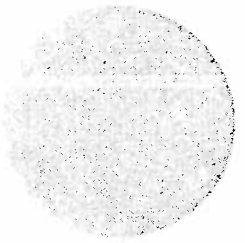


REFORM LITIGATION PRACTICES

- ◆ Set limits on liability – pain & suffering
- ◆ Make the plaintiff financially responsible for some costs if they lose
- ◆ Develop peer organizations to effectively and fairly evaluate patient complaints

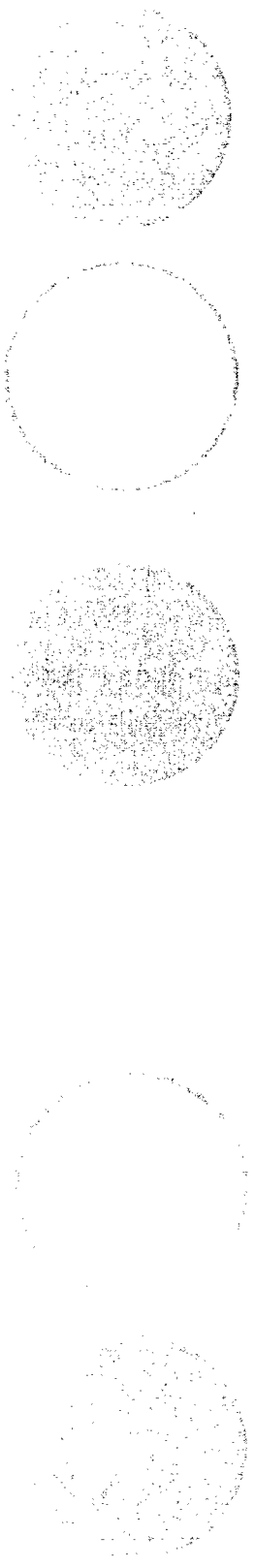


**HAVE GOVERNMENTAL BODIES,
BOTH LOCAL AND NATIONAL, TO BE
RESPONSIVE TO HEALTHCARE
PROVIDERS' CONCERNS ABOUT
POLICIES**

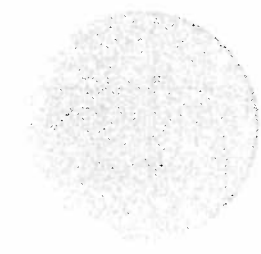
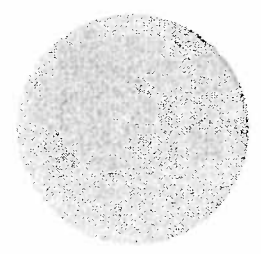
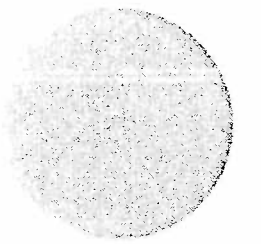


REFORM DRUG PRESCRIBING PRACTICES

- ◆ Either cover OTC medications or do not cover medications at all.
- ◆ Increase drug cost deductibles
- ◆ Allow patients to shop for the best price they can get for their medication
- ◆ Keep drug representatives out of the office
- ◆ Use generics



**GOVERNMENT AND BUSINESS
OWNERSHIP OF HEALTHCARE
PROVISION**



● LINK BEHAVIORS TO BENEFITS

A Tonik for young folk

In 2004, WellPoint launched a policy in California called Tonik aimed specifically at 20-somethings who want coverage for emergencies but are betting they won't need a lot of other medical attention. About 70% of buyers were previously uninsured, and WellPoint has expanded the plan under the Tonik brand to Nevada and Colorado, and under the Sound brand in Illinois and Texas.

Tonik's three plans -- all named with "extreme" brand marketing in mind -- include preventive care, emergency, prescriptions for generic drugs and dental. It does not cover maternity.

THRILL-SEEKER

4 doctors' visits per year
\$20 co-pay
\$5,000 deductible
From \$69 per month

PART-TIME DAREDEVIL

4 doctors' visits per year
\$30 co-pay
\$3,000 deductible
From \$81 per month

CALCULATED RISK-TAKER

Unlimited doctors' visits per year
\$40 co-pay
\$1,500 deductible
From \$90 per month

(THESE RATES ARE FOR PLANS IN CALIFORNIA. RATES IN NEVADA AND COLORADO VARY, BUT THE COVERAGE REMAINS CONSISTENT.)

Sound's three plans include preventive care, emergency, prescriptions for generic drugs and dental. It does not cover maternity or dental.

GRAVITY BENDER

\$40 co-pay
\$5,000 deductible
\$68-\$103 per month

TEXAS CURB JUMPER

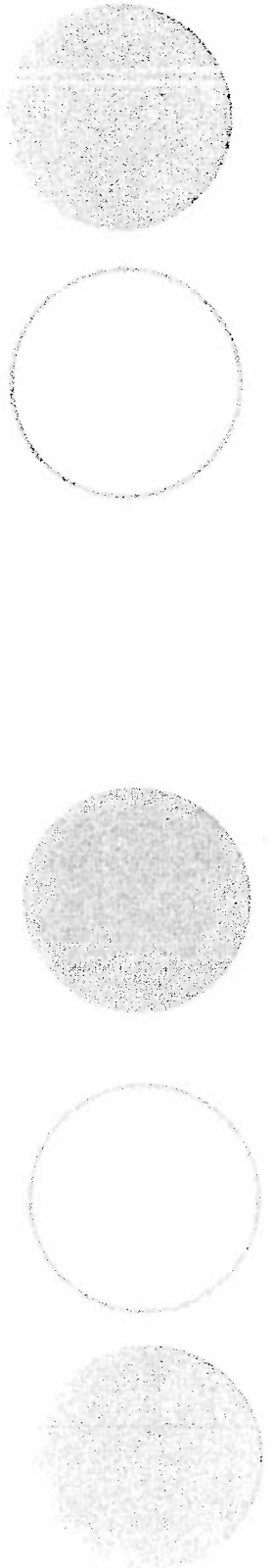
\$40 co-pay
\$3,000 deductible
\$78-\$116 per month

TEXAS CRUISER

\$40 co-pay
\$1,500 deductible
\$101-\$147 per month

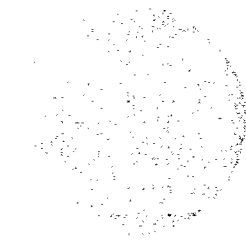
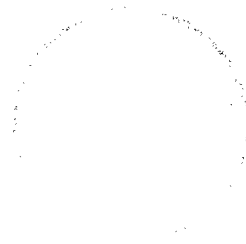
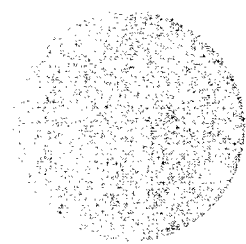
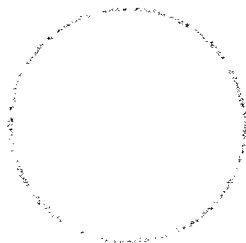
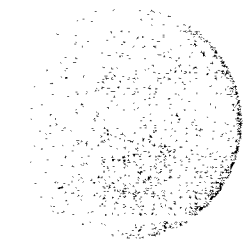
(THESE RATES ARE FOR PLANS IN TEXAS. RATES IN ILLINOIS VARY, BUT THE COVERAGE REMAINS CONSISTENT.)

SOURCE: WELLPOINT, INDIANAPOLIS



PLANS WITH OPTIONAL COVERAGE

- ◆ Catastrophic only
- ◆ Restrictive plans
- ◆ Luxury plans



CONCLUSION