



(FORM UPDATED: 08/11/2010)

## WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

### 2009-10

(session year)

### Senate

(Assembly, Senate or Joint)

### Committee on ... Health, Health Insurance, Privacy, Property Tax Relief, and Revenue (SC-HHIPTRR)

### 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**

## Senate

### Record of Committee Proceedings

#### **Committee on Health, Health Insurance, Privacy, Property Tax Relief, and Revenue**

##### **Senate Bill 471**

Relating to: health care plans operated by cooperative associations.

By Senators Erpenbach, Hansen, Wirch, Vinehout, Taylor, Kreitlow, Risser and Cowles; cosponsored by Representatives Richards, Vruwink, Benedict, Turner, Brooks, Pope-Roberts, Ripp, Tauchen and Smith.

January 22, 2010      Referred to Committee on Health, Health Insurance, Privacy, Property Tax Relief, and Revenue.

February 11, 2010      **PUBLIC HEARING HELD**

Present:    (6)      Senators Erpenbach, Carpenter, Robson, Lassa, Lazich and Kanavas.

Absent:    (1)      Senator Darling.

##### Appearances For

- Larry Zanoni, Middleton
- Ken Machtan — GHC Board of Directors-President
- Bill Oemichen — Cooperative Network

##### Appearances Against

- None.

##### Appearances for Information Only

- Eileen Mallow — Insurance Commissioner

##### Registrations For

- Jon Erpenbach — Sen.

##### Registrations Against

- None.

##### Registrations for Information Only

- None.

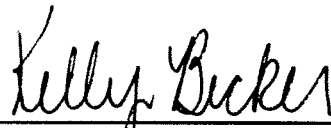
February 17, 2010      **EXECUTIVE SESSION HELD**

Present: (7) Senators Erpenbach, Carpenter, Robson, Lassa,  
Lazich, Kanavas and Darling.  
Absent: (0) None.

Moved by Senator Carpenter, seconded by Senator Robson that  
**Senate Amendment 1** be recommended for adoption.

Ayes: (7) Senators Erpenbach, Carpenter, Robson,  
Lassa, Lazich, Kanavas and Darling.  
Noes: (0) None.

ADOPTION OF SENATE AMENDMENT 1 RECOMMENDED,  
Ayes 7, Noes 0



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Kelly Becker  
Committee Clerk



## Senate

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- Bill Oemichen — Cooperative Network

##### Appearances Against

- None.

##### Appearances for Information Only

- Eileen Mallow — Insurance Commissioner

##### Registrations For

- Jon Erpenbach — Sen.

##### Registrations Against

- None.

##### Registrations for Information Only

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Absent: (0) None.

Moved by Senator Carpenter, seconded by Senator Robson that  
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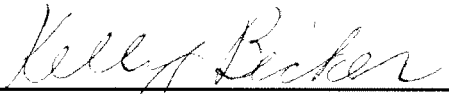
Ayes: (7) Senators Erpenbach, Carpenter, Robson,  
Lassa, Lazich, Kanavas and Darling.  
Noes: (0) None.

ADOPTION OF SENATE AMENDMENT 1 RECOMMENDED,  
Ayes 7, Noes 0

Moved by Senator Carpenter, seconded by Senator Robson that  
**Senate Bill 471** be recommended for passage as amended.

Ayes: (7) Senators Erpenbach, Carpenter, Robson,  
Lassa, Lazich, Kanavas and Darling.  
Noes: (0) None.

PASSAGE AS AMENDED RECOMMENDED, Ayes 7, Noes 0

  
\_\_\_\_\_  
Kelly Becker  
Committee Clerk

**Vote Record**  
**Committee on Health, Health Insurance, Privacy, Property  
 Tax Relief, and Revenue**

Date: \_\_\_\_\_

471  
as amended

Moved by: Carp

Seconded by: Robson

AB \_\_\_\_\_ SB \_\_\_\_\_ Clearinghouse Rule \_\_\_\_\_  
 AJR \_\_\_\_\_ SJR \_\_\_\_\_ Appointment \_\_\_\_\_  
 AR \_\_\_\_\_ SR \_\_\_\_\_ Other \_\_\_\_\_

A/S Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_  
 A/S Sub Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_

Be recommended for:

- Passage     Adoption     Confirmation     Concurrence     Indefinite Postponement  
 Introduction     Rejection     Tabling     Nonconcurrency

Committee Member

	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
<b>Senator Jon Erpenbach, Chair</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Tim Carpenter</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Judith Robson</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Julie Lassa</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Mary Lazich</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Ted Kanavas</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Alberta Darling</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Totals:**    \_\_\_\_\_    \_\_\_\_\_    \_\_\_\_\_    \_\_\_\_\_

Motion Carried

Motion Failed







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608.258.4400 fax 608.258.4407  
400 Selby Avenue, Suite Y, St. Paul, MN 55102-4520  
651.228.0213 fax 651.228.1184  
[www.cooperativenetwork.coop](http://www.cooperativenetwork.coop)

January 27, 2010

To: Members, Committee on Health, Health Insurance, Privacy, Property Tax Relief,  
and Revenue

From: Bill Oemichen, President and CEO

Re: Support for Senate Bill 471, relating to Health Care Cooperatives Modernization

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Cooperative Network represents 600 cooperatives, mutual insurance companies, and credit unions owned by approximately 2.9 million Wisconsin members. We ask for your support of Senate Bill 471, which will allow Cooperative Network members Group Health Cooperative of South Central Wisconsin and Group Health Cooperative of Eau Claire to enrich the services they provide to their members and more completely participate in the delivery of health care in the communities they serve.

Wisconsin's statutes governing health care cooperatives have not changed substantively since 1947, but the health care marketplace has changed dramatically. Health care cooperatives such as Group Health Cooperative of South Central Wisconsin and Group Health Cooperative of Eau Claire are recognized national leaders in providing health care because they have made significant investments in disease management, wellness initiatives, complementary medicine, and preventive care services. Together, these two cooperatives alone serve more than 129,000 citizens of our state.

Unfortunately, the current cooperative law places unnecessary limits on what these cooperatives may do for their members because it was written so many years ago and has not been changed to reflect the current health care marketplace. This need for modernization of the state law has become even clearer due to serious consideration by members of congress to include health care cooperatives as a substantial part of health care reform.

While this bill does not allow health care cooperatives to become life insurance underwriters under chapter 185, it makes clear that health care cooperatives may offer disability or life insurance policies as a benefit to their members. The amendment proposed is the result of a collaborative effort by Cooperative network and its member Group Health Cooperative of South Central Wisconsin with the authors and the Office of the Commissioner of Insurance to address any concerns about this section of the bill.

This bill also lifts current restrictions that prohibit health care cooperatives from billing or accepting payment from third parties for services. This restriction is a barrier to health care cooperatives opening clinic access to non-members who may benefit from the services offered by the cooperative. The current restriction also prohibits a health cooperative from offering services like wellness programs to non-members. This bill lifts these restrictions.

The Assembly's companion bill, AB 683 sponsored by Rep. Richards, passed the Assembly Committee on Health and Health Care Reform unanimously on February 3, 2010.

Overall, SB 471 is an opportunity to improve access to quality, affordable health care to the citizens of Wisconsin and could position Wisconsin to be a model for national health care delivery.

Thank you for considering our request for support of this important legislation.





State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Jim Doyle, Governor  
Sean Dilweg, Commissioner

Wisconsin.gov

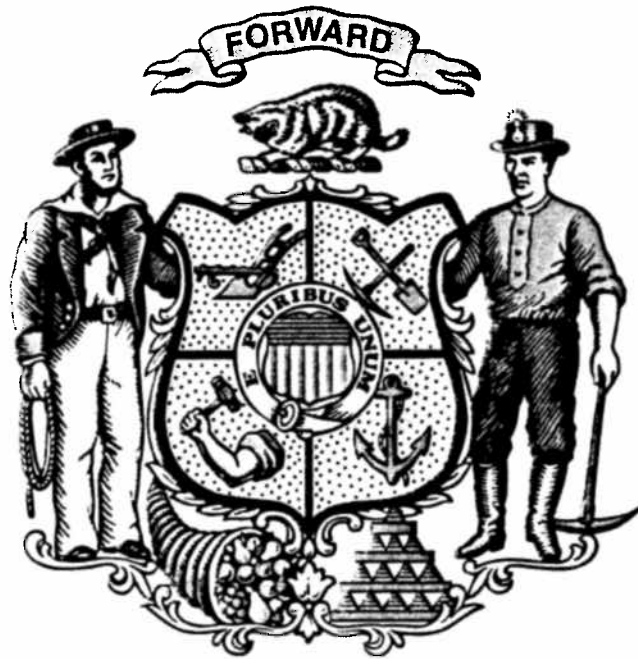
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Testimony to Senate Committee on Health, Health Insurance, Privacy, Property Tax  
Relief and Revenue  
On Senate Bill 471  
February, 11, 2010

Good Afternoon, Senator Erpenbach and members of the Committee. I am here to testify for information on Senate Bill 471, relating to health care plans operated by cooperative associations. Commissioner Dilweg is unable to attend today and has asked me to appear on his behalf. I am Eileen Mallow, Assistant Deputy Commissioner.

As has been previously shared with the committee, staff from our office have had a series of meetings with representatives of the Cooperative Network. We have jointly worked through amendments to the bill. As introduced, we are satisfied that the bill provides OCI with the tools necessary to protect consumers interests in the operation of health plans by cooperatives.

I would be happy to answer any questions you may have.





**Group Health  
Cooperative**

of South Central Wisconsin

**Administrative Offices**  
1265 John Q. Hammons Drive  
PO Box 44971  
Madison, WI 53744-4971  
(800) 605-4327  
(608) 251-4156  
Fax (608) 257-3842

**To:** Members, Senate Committee on Health, Health Insurance, Privacy, Property Tax Relief and Revenue

**From:** Kenneth N. Machtan, President of Group Health Cooperative of South Central Wisconsin

**RE:** Support of SB 471, relating to Health Care Cooperative Modernization

**Date:** February 11, 2010

Thank you for allowing me to testify in support of SB 471 relating to the modernization of health care plans operated by cooperative associations.

Group Health Cooperative of South Central Wisconsin (GHC-SCW) is a member owned and governed not for profit health care plan. GHC-SCW began with the vision of its founding members who had the novel idea that consumers of health care should own and govern the way health care is organized and delivered. From that vision GHC-SCW has grown to more than 62,000 members; has over 700 employees and operates five clinics in Dane County.

Member "owned and governed" are not just words at GHC-SCW. GHC-SCW Board members are elected by the membership at large at an annual meeting where all members are invited to attend. Each board member holds a three-year term and is up for re-election on a rotating basis. I have been fortunate to have been elected and have held the executive position of President since 2001. The GHC-SCW member driven Board is active and meets regularly to ensure that the business of the cooperative reflects membership goals and objectives.

As GHC-SCW's President, I agree with and support the discussion and presentation provided by Larry Zaroni, GHC-SCW's Executive Director, I also ask for your support along with over 62,000 GHC-SCW members.

The provisions proposed by SB 471 will allow GHC-SCW to continue its journey to provide "accessible, comprehensive high quality health care and outstanding service in an efficient and personalized manner" to persons in GHC-SCW's service area. It allows GHC-SCW to modernize its services and programs as well as the ability to provide new services. It will help to ensure GHC-SCW can grow, continue to provide the excellent care and quality that members have come to expect and to continue to meet and exceed the expectations of its members and stakeholders – the Dane County community.

Thank you,

Kenneth N. Machtan, President  
Group Health Cooperative of South Central Wisconsin

**Capitol Clinic**  
675 West Washington Avenue  
Madison, WI 53703  
(608) 257-9700  
Fax (608) 258-9042

**De Forest Clinic**  
815 South Main Street  
DeForest, WI 53532  
(608) 846-4787  
Fax (608) 846-4605

**East Clinic**  
5249 East Terrace Drive  
Madison, WI 53718  
(608) 222-9777  
Fax (608) 221-2646

**Hatchery Hill Clinic**  
3051 Cahill Main  
Fitchburg, WI 53711  
(608) 661-7200  
Fax (608) 661-7201

**Sauk Trails Clinic**  
8202 Excelsior Drive  
Madison, WI 53717  
(608) 831-1766  
(608) 251-5797  
Fax (608) 831-1562

**+** Group Health  
Cooperative

of South Central Wisconsin

2008 Annual Report



# LARRY'S LETTER TO THE MEMBERS

The Health of GHC-SCW





Group Health Cooperative of South Central Wisconsin (GHC-SCW) works every day to provide quality health care to you, our members – and it shows. From sponsoring events that promote healthy lifestyles to finding new and exciting ways to enhance the member experience, GHC-SCW is dedicated to improving the health of our members and the communities in which we live.

As a result of our hard work, we were named the **NUMBER 8** managed health care organization in the nation by the *National Committee for Quality Assurance (NCQA)* and *U.S. News & World Report* in November and were the **top ranked plan in Wisconsin** for the **THIRD STRAIGHT YEAR!**

We have enjoyed many successes in 2008, of which you'll read about in this annual report. GHC-SCW employees – who consistently provide superb care and impeccable service – have helped make these successes possible.

There is also another group of people who have helped us continue to be a leader in quality for 2008. They are the more than 1,000 Dane County businesses that pay our premiums each and every month. It is important to acknowledge these groups, many of which are dealing with a tough recession. We need to recognize them for their business and commitment to GHC-SCW.

Thank you for your support of GHC-SCW; our successes are your successes.  
Together with our members we are "Better Together."

Sincerely,



Larry Zanoni  
Executive Director

## PATIENT CENTERED - CARE TEAMS

I am Patient-Centered...

“When health insurers and health care providers are brought together under one roof, we are better together.”



2008 was an exciting year for GHC-SCW clinics as we launched **Care Teams**. GHC-SCW strongly believes this model will allow us to work in a more coordinated way to help provide better member satisfaction, provider satisfaction, staff satisfaction, improved access to providers and most importantly, better health care for you.

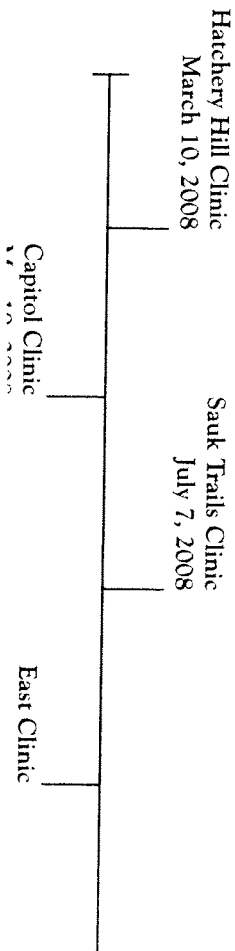
Care Teams include Primary Care Providers (Physicians, Nurse Practitioners and Physician Assistants) and other health care professionals, including Social Workers, Registered Nurses, Licensed Practical Nurses, Certified Medical Assistants and Reception staff working together to support each other and you – the member. A Care Team integrates the skills of all health care staff with those of the patient and family into a comprehensive patient care program.

At GHC-SCW, we believe that a strong relationship between the patient and the Primary Care Provider is the basis for good health care. Care Teams are a great real-life example of the cooperative spirit at GHC-SCW. We believe the structure of the Care Team supports this relationship and serves as an extension of your Primary Care Provider. The Physicians, working in the Care Team environment, will continue to coordinate the care of their patients. Our Physician Assistants and Nurse Practitioners will continue to coordinate support of the doctors on their Care Teams, as well as continue to take care of their own patients.

How do Care Teams help the continuity of care each member receives? It's simple. If you call your clinic for a same-day appointment, the nurse will assess the situation and then determine if your provider is able to see you that day or if another provider on your Care Team is available. The nurse will try to keep you within your Care Team if possible.

At GHC-SCW, your health Care Team is committed to meeting your personal health care needs. You can be confident that we are standing behind you and striving everyday to give you outstanding health care services.

### Care Team Rollout - 2008



INNOVATION IN THE 21ST CENTURY  
I am Innovative...

“When we work to lift each other up, show appreciation and collaborate in the best interests of the member, we are better together.”



2008 was a year of innovative improvements, from the installation of a Picture Archiving and Communications System (PACS), to the Computerized Tomography (CT) Program and the installation of electronic Check-in Kiosks for appointments, to the roll out of the new ghcscw.com Web site. GHC-SCW is striving to bring members improved technological services.

**PACS** With the 2008 implementation of the Picture Archiving and Communications System (PACS) at GHC-SCW, chances are your doctor can see the digital images with a push of a button at your next appointment.

PACS is a system that acquires, transmits, stores, retrieves and displays digital images and related patient information from a variety of imaging modalities and communicates the information over a secure server. It includes the potential for image processing, for linkages to radiology and hospital information systems and for alternative methods of information input and output.

The images are obtained in a digital manner and stored on the PACS system, which is then shared with the UW Health system. Also, multiple Providers can look at

**CT Scanner** The process involved with getting a CT Scan can sometimes be stressful for a patient, especially if they have to go outside of their clinic network for the procedure. Now, GHC-SCW members can have CT Scans performed in-house.

On Nov. 17, 2008, the Computerized Tomography (CT) Program began at the GHC-SCW Hatcher Hill Clinic. Previously, all CT Scans were performed at UW Hospital. The addition of the CT Scanner allows for a more peaceful member experience and helps GHC-SCW control external contracting costs.

CT studies will continue to be interpreted by University of Wisconsin radiologists. The images will be stored on the Picture Archiving and Communication System (PACS), which is accessible to GHC-SCW providers and UW specialists, with results available in patients' electronic medical record.

**Check-in Kiosks** In 2008 GHC-SCW unveiled electronic Check-in Kiosks at the Hatcher Hill and Capitol Clinics. The goal of the Check-in Kiosks is to provide an innovative, efficient way for our members to check-in and confirm their appointments.

Having the kiosks in our clinics also allows reception teams to spend more time making appointments for members without feeling rushed.

Since the rollout of these kiosks at Hatcher Hill and Capitol, there have been many improvements and reception teams continue to educate our members on the benefits of the kiosks. By June 2009, all clinic locations except DeForest will have these kiosks for our members to use.

**Web site Redesign** - In 2008, the GHC-SCW Web site received a complete makeover. Navigating through health care systems can sometimes be a daunting task and the GHC-SCW updated Web site helps make this process more manageable.

Having a hard time deciding which provider to choose? Check out the podcasts of our providers talking about disease prevention and healthy lifestyles. Interested in participating in one of our many Complementary Medicine classes? See a listing of all available classes and how to sign up. And for those of you who are always on the go, sign up for GHC-SCW Mobile. This feature allows you to view Providers, clinic services and make an appointment. These are just a few new

**DANE COUNTY COMMUNITY**  
I am Community Involved...

“When we join with our community  
to further the causes for which we  
share a common concern, we are  
better together.”



In 2008, a total of 5,990 GHC-SCW staff hours were dedicated toward improving the Dane County community. We are proud to stand behind the causes you care about.

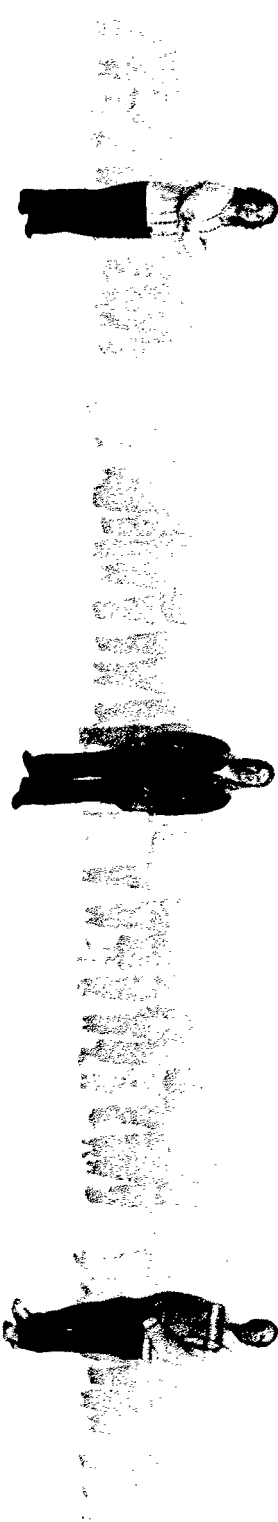
One of Dane County's signature fundraising events in 2008 was the Juvenile Diabetes Research Foundation (JDRF) Walk. GHC-SCW sponsored the "Racin' for a Cure" event at the Madison International Speedway on Sept. 20. GHC-SCW Sales and Marketing Director Al Weating was the event's Corporate Chair. More than 60 GHC-SCW employees joined other walkers

in the community to help JDRF raise over \$250,000 for juvenile diabetes research.

GHC-SCW sponsored and participated in more than 35 Dane County programs and activities in 2008. Some of these activities included:

- Adopt a School Program
- Aldo Leopold Nature Center
- American Diabetes Association Tour de Cure
- American Family Children's Hospital Radiothon

- American Heart Association Heart Walk
- Juvenile Diabetes Research Foundation (JDRF)
- GHC-SCW Evening Clinics
- Susan G. Komen Race for the Cure
- Tai Chi at the Monona Terrace
- United Way Day of Caring









## QUALITY DRIVEN - 4TH QUARTER SUCCESS

I am Quality-Driven...

“When members and their providers each participate meaningfully in the decisions that lead to better health care, we are better together.”



GHC-SCW continuously strives to provide superb care and impeccable service. The hard work and dedication of all GHC-SCW employees was recognized locally and nationally in 2008.

*Top Docs* - In September, *Madison Magazine* announced its 2008 "Top Docs in Dane" winners. GHC-SCW had a strong showing, as 14 of our doctors were chosen by their Dane County colleagues as Top Docs.

As you may recall in 2006, five of our doctors were given the Top Docs title. GHC-SCW continues to deliver high quality care which highlights the effectiveness of our medical staff and thus the impressive accolades and recognition of our physicians.

## TOPDOCS08 Madison MAGAZINE

*Media Recognition* - In October, GHC-SCW was featured in a front page *Wisconsin State Journal* article. We received unsolicited recognition as a leader in Dane County in terms of quality and accessibility. Of the four HMOs based in Dane County, GHC-SCW was the only one to receive four out of four stars for quality from the Federal Agency for Healthcare Research and Quality.

Based on a 2006 survey, our patient satisfaction was nearly 10 percent higher than our closest competitor. Since that time, the process and criteria for measuring patient satisfaction has changed. Over the last two years, GHC-SCW continues to steadily improve. Our employees and members continue to put GHC-SCW on the map for quality health care.

*NCCA Recognition* - In November, GHC-SCW was recognized by the National Committee for Quality Assurance (NCCA) and *U.S. News & World Report* for having the highest rating in quality among all managed health care organizations in Wisconsin and the 8th ranking in the U.S. for the third straight year. This ranking is based on a voluntary review of how a health plan ensures that its members are receiving high quality care and services.

The *U.S. News & World Report* article includes NCCA's ranking of the Top 50 commercial health plans based on the combined Health Plan Employer Data and Information Set (HEDIS), Member Satisfaction CAHPS® Survey and NCCA Accreditation standards scores.



## CAHPS® Scores

Customer Service.....	88.2%
Getting Care Quickly.....	86.9%
Claim Processing.....	89.4%
How Well Doctors Communicate.....	94.7%

CAHPS® is a comprehensive and evolving family of surveys that asks consumers and patients to evaluate the interpersonal aspects of health care. The CAHPS® program is funded and managed by the Agency for Healthcare Research and Quality (AHRQ). AHRQ works closely with the Centers for Medicare and Medicaid Services (CMS). CAHPS® is a registered trademark of the Agency for Healthcare Research and Quality (AHRQ).

This national ranking reflects GHC-SCW's strong commitment to providing high quality health care to our members.

Executive Choice Award - What's the first thing business executives in Dane County think about when it comes to health care? An *InBusiness Magazine* survey says they're thinking about GHC-SCW. In the magazine's December 1, 2008 issue, it was announced that GHC-SCW won the *InBusiness Executive Choice Award* in the Health Care category.

This designation shows that GHC-SCW is "top of mind" for health care with the decision makers in the Dane County market. This local recognition illustrates that GHC-SCW has made a strong impression with our hometown business leaders.



## NOT-FOR-PROFIT COOPERATIVE

Not-for-Profit Cooperative...

“When we share a common purpose, a common voice and a common vision, we are better together.”

Our positive position is important because GHC-SCW is a not-for-profit health care cooperative, which means any profits realized by the company stay on the bottom line to be reinvested for the benefit of our members and the benefit of our community. These funds are never used as distributions to shareholders or bonuses for top executives which is why they remain as operating surplus rather than expense.



	2008	2007
<b>Assets</b>		
<b>Current Assets</b>		
Cash & Marketable Securities	\$71,776,000	\$66,571,000
Receivables	16,216,000	15,855,000
Prepaid Expenses	884,000	651,000
Inventories	1,502,000	1,616,000
Other Current Assets	724,000	536,000
<b>TOTAL CURRENT ASSETS</b>	<b>\$91,102,000</b>	<b>\$85,229,000</b>
Property & Equipment - At cost, less Accumulated Depreciation & Amortization	\$30,919,000	\$30,615,000
Other Assets	417,000	416,000
Restricted Assets	2,688,000	2,295,000
<b>TOTAL ASSETS</b>	<b>\$125,126,000</b>	<b>\$118,555,000</b>
<b>Liabilities &amp; Net Assets</b>		
<b>Current Liabilities</b>		
Medical Claims Payable	\$13,056,000	\$13,013,000
Accounts Payable and Accrued Expenses	12,307,000	10,398,000
Current Maturities of Long Term Debt	1,000,000	1,665,000
Advance Premiums	19,049,000	17,579,000
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$45,412,000</b>	<b>\$42,655,000</b>
Long Term Debt, Less Current Maturities	\$8,500,000	\$9,500,000
Net Assets	71,215,000	66,400,000
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$125,127,000</b>	<b>\$118,555,000</b>

	2008	2007
<b>Revenue</b>		
Subscriber Premiums	\$219,007,000	\$200,798,000
Other Income	16,369,000	17,150,000
<b>TOTAL REVENUE</b>	<b>\$235,376,000</b>	<b>\$217,948,000</b>
<b>Expenses</b>		
Payments to Providers	\$137,223,000	\$129,816,000
Employee Compensation	42,642,000	38,947,000
Pharmaceutical and Medical Supplies	23,868,000	22,516,000
Facility Expenses	2,595,000	2,538,000
Depreciation and Amortization	2,922,000	3,066,000
Other Expenses	16,904,000	16,469,000
<b>TOTAL EXPENSES</b>	<b>\$226,154,000</b>	<b>\$213,352,000</b>
Increase (Decrease) in Net Assets Before Income		
Taxes and Unrealized Gain (Loss on Investments)	\$9,222,000	\$4,596,000
Provision for State Income Taxes	637,000	181,000
Change in Unrealized Gain (Loss) on Investments	(3,770,000)	159,000
<b>INCREASE (DECREASE) IN ASSETS</b>	<b>\$4,815,000</b>	<b>\$4,574,000</b>

# BETTER TOGETHER



**GOING GREEN**





To help create a more sustainable, environmentally-friendly organization, GHC-SCW is going green!

The GHC-SCW Health and Safety Committee spearheaded this effort to improve the health of members and employees.

*We are all Better Green!*

## BETTER TOGETHER™ GREEN

Just how green is GHC-SCW? Some of our current going green efforts include:

- Electronic Medical Records in lieu of paper charts
- Cloth patient garments rather than disposable paper gowns
- Styrofoam cups switched to recycled paper cups for use by GHC-SCW guests
- Fluorescent light bulbs instead of incandescent
- Bamboo flooring instead of wood at the Sauk Trails Complementary Medicine/Mental Health Suite
- Electronic pay stubs for GHC-SCW employees. All pay stubs will now be online only!

- Encouraging more member use of GHCMYChart™ and the Mail Pharmacy to avoid traveling to pick up a prescription
- Offering employer groups an electronic copy of member materials for their employees rather than sending a paper copy to each member

What difference does all this make?

For every ton of paper recycled we save 17 trees that absorb 250 pounds of carbon dioxide, 380 gallons of oil, three cubic yards of landfill, 4,000 kilowatts of energy and 7,000 gallons of water.



## **MISSION STATEMENT**

The mission of Group Health Cooperative of South Central Wisconsin is to provide accessible, comprehensive, high-quality health care and outstanding service in an efficient and personalized manner on a prepaid basis to persons in the GHC-SCW service area.

Larry Zanoni  
Executive  
Director





**Mark Dalebroux**  
Human Resources  
Director



**Galen Metz**  
Information Services  
Director



**Dr. Michael Ostrov**  
Medical  
Director



**Ned Pautz**  
Finance  
Director



**Kassie Remo**  
Clinic Operations  
Director



**Al Wearing**  
Sales & Marketing  
Director

## VISION STATEMENT

Group Health Cooperative of South Central Wisconsin will be a leader among HMOs in providing high-quality medical care, impeccable service and competitive benefit levels and premium rates. GHC-SCW will maintain consistent membership growth and a sound financial return each year.



President  
Ken Mathison  
Wisconsin  
State Assembly



Vice President  
Mary Winkler  
Johnson Bank



Treasurer  
Michael Mathew  
Wisconsin  
Affordable Housing  
Corporation



Secretary  
Carol Winkler  
American Family  
Insurance



Brad Christensen  
Self-Employed



Jim D'Isidoro  
PKK Lighting, Inc.



Patricia Gadow  
Madison  
Departement of  
Public Health  
(retired)



Thomas Schomisch  
University of Wisconsin  
(retired)



Fred Trumm  
The Durrant Group



Robert Matthew, M.D.  
Family Medicine  
GHC-SCW



Pamela Sprecher-  
Galka, PA-C  
GHC-SCW

# Group Health Cooperative

of South Central Wisconsin  
1265 John Q. Hammons Drive  
P.O. Box 44971  
Madison, WI 53744-4971

[www.ghescw.com](http://www.ghescw.com)

Special thanks to the Members Advisory Board for photo use.



**Administrative Offices**  
1265 John Q. Hammons Dr.  
P.O. Box 44971  
Madison, WI 53744-4971  
(800) 605-4327  
Fax (608) 257-3842



**Capitol Clinic**  
675 W. Washington Ave.  
Madison, WI 53703  
(608) 257-9700  
Fax (608) 258-9042



**De Forest Clinic**  
815 S. Main Street  
De Forest, WI 53532  
(608) 846-4787  
Fax (608) 846-4605

**East Clinic**  
5249 E. Terrace Dr.  
Madison, WI 53718  
(608) 222-9777  
Fax (608) 221-2646



**Hatchery Hill Clinic**  
3051 Cahill Main  
Fitchburg, WI 53711  
(608) 661-7200  
Fax (608) 661-7201

**Physical Therapy**  
Princeton Club West  
8054 Watts Road  
Madison, WI 53719  
(608) 662-5060  
Fax (608) 662-5061



**Sauk Trails Clinic**  
8202 Excelsior Dr.  
Madison, WI 53717  
(608) 831-1766  
(608) 251-5797  
Fax (608) 831-1562





# Group Health Cooperative

Group Health Cooperative of South Central Wisconsin  
Accredited by the National Committee for Quality Assurance - NCQA

**Administrative Offices**  
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www.ghc-hmo.com

**To:** Members, Senate Committee on Health, Health Insurance, Privacy, Property Tax Relief, and Revenue

**From:** Larry Zanoni, Executive Director of Group Health Cooperative of South Central Wisconsin

**RE:** Support of SB 471, relating to Health Care Cooperative Modernization

**Date:** February 11, 2010

Thank you for allowing me to testify in support of SB 471 relating to the modernization of health care plans operated by cooperative associations.

Group Health Cooperative of South Central Wisconsin began its long journey to fulfill its mission to provide “accessible, comprehensive, high quality health care and outstanding service in an efficient and personalized manner” to persons in GHC-SCW’s service area when we saw our first patient on March 1, 1976.

In support of our mission GHC-SCW has adopted the following guiding principles:

1. To **promote the not for profit and cooperative nature** of GHC-SCW – which allows membership participation in policy decisions affecting the delivery of health care.
2. To **foster partnership** between members and our health care providers – to **encourage health care responsibility: emphasizing health education and preventive medicine.**
3. To **operate on a sound fiscal basis** and maintain cost efficient health care delivery and to exceed the minimum reserves required by the OCI.
4. To **maintain our practice setting** – one that is medically and personally satisfying to GHC-SCW members and our employees.
5. To develop and maintain a delivery system that **supports and promotes training, education and research** of health care professionals.
6. To **provide continuity of care and delivery of health services** to GHC-SCW members.
7. To **meet future growth needs of GHC-SCW by making membership accessible** to all prospective members including under-served populations.
8. To **operate using progressive personnel policies and practices** including affirmative action and equal employment opportunity.

Now after more than 34 years, we serve over 62,000 members, we own and operate five clinics in Dane County, we have over 700 employees and we continue to be recognized as one of the highest quality HMO’s in the country<sup>1</sup>. We are fiscally sound<sup>2</sup> and recognized by our peers and others within our community as the “preferred health insurance company”<sup>3</sup>.

**Capitol Clinic**  
675 W. Washington Ave.  
Madison, WI 53703  
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**De Forest Clinic**  
815 S. Main St.  
De Forest, WI 53532  
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Passing SB 471, which modernizes Chapter 185, will permit the following:

1. Modernize the chapter by changing “sickness care plans” to “health care plans”. This new wording more accurately reflects our values and the services we provide. We no longer think of ourselves as “sickness care associations” but as health care plans which encourage quality and value of care with incentives for well-coordinated, cost effective health care through member participation.

2. Non-members to access GHC-SCW services and programs. We will be able to provide health care services and programs not only to GHC-SCW members but also to non-members and companies that want access to them. Such programs include: wellness, complementary medicine, preventive care services, disease management, health risk assessments, and others.

*For example:* We are often approached by businesses and self-funded companies who want access to our expertise in health risk assessment and disease management systems. Under the existing provisions of Chapter 185 we can not offer these programs or services because we can provide services on pre-paid basis to only our members.

3. Providing ancillary services to our members. Ancillary products, such as disability or life insurance products (underwritten by other insurance carriers), are currently prohibited by statute. This change will allow GHC-SCW to offer such programs and services our members are requesting.

*For example:* Our existing clients are looking for a “one-stop” shop for insurance programs. Allowing us to provide access to these programs provides cost efficient and effect solutions for our clients and the insurance agents we work with.

4. The ability to bill and accept payment from non-members for health care services. Currently GHC-SCW may not bill other health plans for services received by our members. This bill will allow us to bill other health plans and non-members for services provided by GHC-SCW as well as to coordinate benefits with other insurance plans more effectively for our existing members.

*For example:* Often our members have more than one health insurance coverage. We work to ensure that benefits are coordinated with other carriers; this eliminates overpayment and creates efficiency in the health insurance services. However, the existing provisions of Chapter 185 require that we only bill or accept payment from members of the cooperative, therefore we can not pay or bill other insurance carriers or self-funded carriers directly. This is an obvious case of inefficiency for our health care operations area and does cause member irritation.

In conclusion, SB 471 will allow GHC-SCW to build upon our success; to continue to provide high quality, efficient and not for profit health care services to our members as well as to non-members and others who wish to purchase our services. By supporting and approving SB 471 modernization of Chapter 185, you will be taking the necessary steps to help us to continue to

build a strong not for profit health care cooperative that we think is very much like the way health care should be delivered under any national health care reform strategy.

Thank you,



Larry Zanoni, Executive Director  
Group Health Cooperative of South Central Wisconsin

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<sup>1</sup> U.S. News and World Report "America's Best Health Plans" ranked **GHC-SCW Highest in Wisconsin and 10th among 239 ranked Commercial Health Insurance Plans Nationwide**. This marks the fourth consecutive year that GHC-SCW was named one of the top ten health plans in the nation. This reflects our strong commitment to high quality health care.

<sup>2</sup> Currently GHC maintains more that 10 x the mandatory reserves required by the Office of the Commissioner of Insurance.

<sup>3</sup> GHC-SCW won the *InBusiness* Executive Choice Award by being **rated the #1 "Preferred Health Insurance Company"** for two years in a row (2008, 2009).