

Review & Commentary on Health Policy Issues for a Rural Perspective – July 1st, 2004

Non-Rabid Partisans Don't Get No Respect

From "A Nation Divided? Who Says?" by
John Tierney in *The New York Times*, 6/13/04:

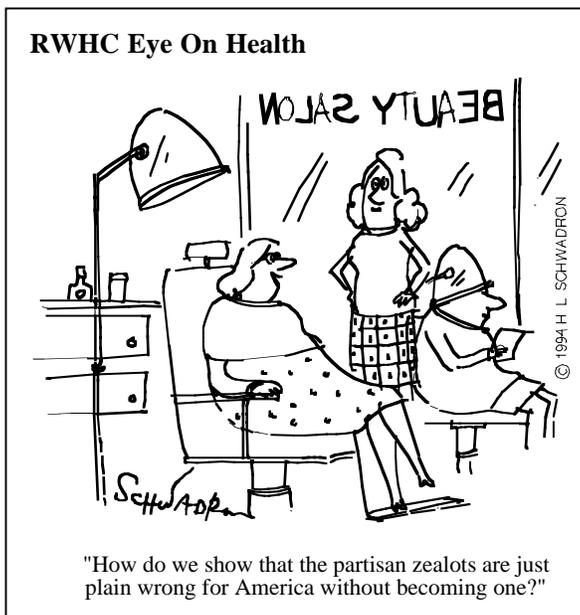
"If you've been following the election coverage, you know how angry you're supposed to be. This has been called the Armageddon election in the 50-50 nation, a civil war between the Blue (Democratic) and the Red (Republican) states, a clash between churchgoers and secularists hopelessly separated by a values chasm and a culture gap."

"But do Americans really despise the beliefs of half of their fellow citizens? Have Americans really changed so much since the day when a candidate with Ronald Reagan's soothing message could carry 49 of 50 states?"

"To some scholars, the answer is no. They say that our basic differences have actually been shrinking over the past two decades, and that the polarized nation is largely a myth created by people inside the Beltway talking to each another or, more precisely, shouting at each other. These say it's not the voters but the political elite of both parties who have become more narrow-minded and polarized. As Norma Desmond might put it: We're still big. It's the parties that got smaller."

"In innovation, *new concepts* must usually come from outside the current system, but new *processes*—the things that make concepts work—must come from inside the current system or they will not work. To work, changes must be not only adopted locally but also adapted locally." Don Berwick in "Speech Before National Forum on Quality Improvement in Health Care", 12/4/96
RWHC *Eye On Health*, 6/21/04

"Just because a state votes red or blue in a presidential election doesn't mean that its voters are fixed permanently on one side of a political divide or culture gap. The six bluest states in 2000, the ones where George W. Bush fared worst - Rhode Island, Massachusetts, New York, Hawaii, Connecticut and Maryland—all have Republican governors. Even California went red last year when Arnold Schwarzenegger, a moderate Republican, became governor."



"How do we show that the partisan zealots are just plain wrong for America without becoming one?"

" 'Most voters are still centrists willing to consider a candidate from either party, but they rarely get the chance: It's become difficult for a centrist to be nominated for president or to Congress or the state legislature,' said Morris P. Fiorina, a political scientist at Stanford and senior fellow at the Hoover Institution."

"The forthcoming book, *Culture War? The Myth of a Polarized America* (by Fiorina, Samuel J. Abrams, and Jeremy C. Pope) concludes that 'Reports of a culture war are

mostly wishful thinking and useful fundraising strategies on the part of culture-war guerrillas, abetted by a media driven by the need to make the dull and everyday appear exciting and unprecedented.' "

"The book presents evidence that voters in red and blue America are not far apart. Majorities in both places support stricter gun control as well as the death penalty; they strongly oppose giving blacks

preference in hiring while also wanting the government to guarantee that blacks are treated fairly by employers. They're against outlawing abortion completely or allowing it under any circumstances, and their opinions on abortion have been fairly stable for three decades. Virtually identical majorities of Blues and Reds don't want a single party controlling the White House and Congress."

"Further evidence of a truce comes from Paul DiMaggio, a sociologist at Princeton, and colleagues who have studied attitudes toward a wide range of issues like race, crime, the role of women and the welfare state. They looked at various demographic divisions—by race, age, sex, education, religious denomination, region—and found that gaps among groups have been constant or shrinking for the past three decades."

"'The two big surprises in our research,' Professor DiMaggio said, 'were the increasing agreement between churchgoing evangelicals and mainline Protestants, even on abortion, and the lack of increasing polarization between African-Americans and whites. Evangelicals have become less doctrinaire and more liberal on issues like gender roles. African-Americans are showing more diversity in straying from the liberal line on issues like government programs that assist minorities.' "

"Alan Wolfe, a political scientist at Boston College, reached similar conclusions in his 1998 book, *One Nation, After All*, which called the culture war largely a product of intellectuals."

"'Compared to earlier periods—the Civil War, the 1930's, the 1960's—our disagreements now are not that deep,' Professor Wolfe said last week. 'Indeed, it is only because we agree so much on so many things that we can allow ourselves the luxury of thinking we are having a culture war. When one of society's deepest divisions is over stem cells, that society is pretty unified.' "

"Why, if the public is tolerant, would the political elites be so angry? One reason given by Professor Fiorina is the decline of party bosses, who promoted centrist candidates because their patronage systems depended on winning elections, and the correspond-

ing rise of special-interest groups, who are more concerned with candidates' ideology."

"Losing an election doesn't put pro-life or gun-control advocates out of work—in fact, it can help raise money for the cause. Nor does it hurt broadcast ratings or book sales for polarizing media figures like Sean Hannity and Al Franken, who need battles to keep their audiences entertained."

"Another reason is gerrymandering, which has created so many safe seats that the only threat to incumbents comes from within the party, forcing them to appeal to the partisan voters who dominate primaries. As moderates have become an endangered species in Congress and in state legislatures, the parties' ideological divisions have deepened, and voters have realigned in response. Many moderate liberals who used to call themselves Republicans no longer do, while many moderate conservatives have left the Democratic Party. The result is greater partisanship, because each party is purer ideologically."

Maintaining Essential Rural Providers

From "Maintaining Essential Rural Providers Under Medicare Advantage, a Report from the National Rural Health Association's (NRHA) Medicare Advantage Work Group," 6/23/04; the full report is available at <www.rwhc.com>:

"Unintended consequences from the mandated growth of Medicare Advantage constitute a potentially serious threat to the rural health care infrastructure. Existing NRHA Policy states that the 'Centers for Medicare and Medicaid Services (CMS) should make wrap-around payments to Rural Health Clinics (RHCs), Federally Qualified Health Clinics (FQHCs) and Critical Access Hospitals (CAHs) for services provided under Medicare Managed Care.' This action is key for these essential rural providers if they are to survive in the competitive world envisioned for urban and rural markets by Congress.' (The charge to the Work Group was limited to address providers currently paid on a 'reasonable cost' basis for whom a technical fix under Medicare Advantage should be readily enacted.)"

“But having the correct Medicare payment methodology is only half the battle; Medicare beneficiaries must also have access to local rural clinicians and providers. Currently, Medicare+Choice services in a plan’s defined service area are typically only covered, apart from emergencies, if the doctor, hospital or other provider is a ‘participating provider.’ In addition, what care will be allowed ‘out of area’ under Medicare Advantage Plans is not yet known. It is absolutely critical that perverse incentives not be inadvertently built into the implementation of Medicare Advantage that forces beneficiaries to choose between receiving care locally or receiving the potential benefits of a Medicare Advantage plan.”

“The degree of current concern about this issue will vary significantly around the country on two dimensions: (1) the degree of current commercial managed care in rural markets (ranging from very significant to nonexistent) and (2) the degree to which regional providers and associations are able to advocate enrollee and provider interests separate from health plan interests. While this report may seem very theoretical for those who do not currently experience significant managed care in their region, it is fair to assume that this issue is more readily addressed before it becomes a widespread problem and while advocates for Medicare Advantage program are more open to modifications that will make the program more widely acceptable. We recommend the following:

- #1: Legislation should require for Medicare Advantage enrollees (as current law does for FQHCs) that wrap-around payments be paid directly to CAHs and RHCs by CMS.**
- #2: Legislation should specifically state that access to the wrap-around provision should be available on a “contract by contract” basis.**
- #3: CMS should explore at least the ‘Secondary Payer’ and the ‘InterBank Process’ approaches to administering the wrap-around to determine which would be most efficient for CMS, the health plans and providers.**
- #4: CMS should assure that the ‘local community access rule’ be interpreted narrowly and that it will be enforced with the same evenhanded direction as other code provisions.**

#5: The Department of Defense should assure that CAHs, RHCs and FQHCs serving TRICARE enrollees are treated in a manner similar to that sought above for Medicare Advantage enrollees, or granted other special payment consideration for serving these enrollees.”

We Divide Value When We Need To Make It

From “Redefining Competition in Health Care” by Michael E. Porter and Elizabeth Olmsted Teisberg in the *Harvard Business Review*, 6/04:

“The U.S. health care system is in bad shape. Medical services are restricted or rationed, many patients receive poor care, and high rates of preventable medical error persist. There are wide and inexplicable differences in costs and quality among providers and across geographic areas. In well-functioning, competitive markets, such outcomes would be inconceivable. In health care, these results are intolerable. Competition in health care needs to change, say the authors. It currently operates at the wrong level.”

“Payers, health plans, providers, physicians, and others in the system wrangle over the wrong things, in the wrong locations, and at the wrong times. System participants divide value instead of creating it. They shift costs onto one another, restrict access to care,

The **Rural Wisconsin Health Cooperative**, begun in 1979, intends to be a catalyst for regional collaboration, an aggressive and creative force on behalf of rural communities and rural health. RWHC promotes the preservation and furthers the development of a coordinated system of rural health care, which provides both quality and efficient care in settings that best meet the needs of rural residents in a manner consistent with their community values.

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stifle innovation, and hoard information—all without truly benefiting patients.”

“This form of zero-sum competition must be replaced by competition at the level of preventing, diagnosing, and treating individual conditions and diseases. Among the authors’ well-researched recommendations for reform: Standardized information about individual diseases and treatments should be collected and disseminated widely so patients can make informed choices about their care. Payers, providers, and health plans should establish transparent billing and pricing mechanisms to reduce cost shifting, confusion, pricing discrimination, and other inefficiencies in the system. And health care providers should be experts in certain conditions and treatments rather than try to be all things to all people. U.S. employers can also play a big role in reform by changing how they manage their health benefits.”

Health Care Future Requires New Thinking

To many, Don Berwick is the most influential thinker/leader on the future of American health care. From “Escape Fire: Designs for the Future of Health Care,” a book review by David Woods for the *BMJ* (*British Medical Journal*), 5/8/04:

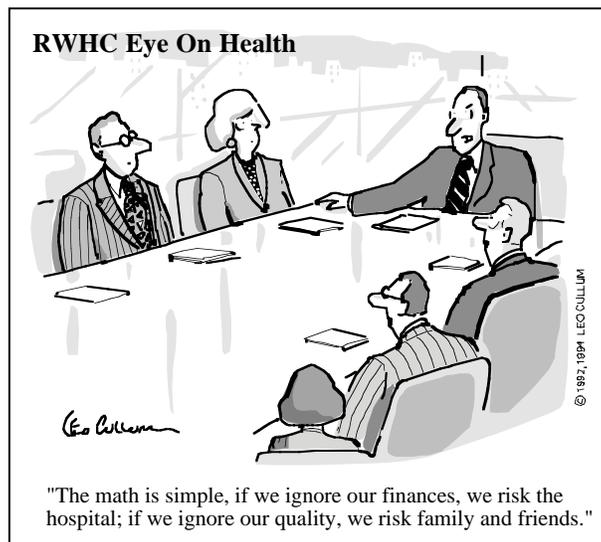
“This is a collection of 11 speeches that Dr. Donald Berwick, cofounder and president of the US Institute for Healthcare Improvement, delivered to the annual meetings of the National Forum on Quality Improvement in Health Care between 1992 and 2002.”

“Berwick is modest about his institute and his work, asking in the preface to this anthology, ‘With so much different, why do these speeches strike me as so repetitive? Metaphor after metaphor, list after list, story after story—but always the same. Year after year I can find

only three messages at the core: *focus on the suffering, build and use knowledge, and cooperate.*’ ”

“But he’s also a realist. For more than a decade Berwick has been pushing for a US healthcare system that puts patients’ needs above those of doctors and insurers; that eliminates or substantially reduces ineffectiveness, inefficiency, waste, disorganization, and error; that embraces cohesiveness and purpose; and that becomes less inbred—learning to learn from such outside organizations as the airline industry, General Motors, and the US Forest Service. However, he admits that little of this has come to pass.”

“It’s from the Forest Service that the book’s cryptic title comes. *Escape Fire* refers to a 1949 tragedy in Montana in which 13 young firefighters died in a wildfire that was sweeping up a hillside. Their leader found what seemed at first to be an unorthodox solution. As Berwick described it in the 1999 speech: ‘He did a strange and marvelous thing... [He] set fire to the grass directly in front of him. The new fire spread quickly uphill ahead of him and he stepped into the middle of the newly burnt area. He called to his crew to join him as he lay down in the middle of the burnt ground.’ But the firefighters ignored him or didn’t hear him, and ‘ran right past the answer’ and perished. Berwick’s lesson for health care: don’t be bound by traditional or ‘accepted’ modes of thinking.”



“As well as using metaphors—and the book is full of them—to explain the ills of US health care, Berwick recounts a harrowing personal experience. In 1999 (the year of the escape fire speech) his wife, Ann, developed a rare and serious autoimmune spinal cord problem. She lost the ability to walk and was hospitalized for more than 60 days. Berwick told his audience that not a day passed without a medication error,

and in only two instances did someone seek feedback on the care his wife received. The ordeal was marked by waste, unnecessary procedures, delays, and lack of communication.”

“Berwick ruefully concludes that, far from escaping the fire, he felt it licking at his heels during his wife’s experience. And until the healthcare system is radically overhauled, he implies, it will continue to burn.”

Businesses Weigh In With Lifestyle Changes

From ‘Business Seeks Cure for Health Care Costs, Keeping Workers Healthy is Goal of ‘Lifestyle’ Initiatives’ by Joe Manning in the *Milwaukee Journal Sentinel*, 6/12/04:

“There’s a new twist to Friday fish fries at Covenant Healthcare hospitals’ cafeterias. The fish is baked. The hospitals also are serving up more fresh fruit and vegetables, and employees are offered nutrition classes. It’s all part of a wellness program that sets goals and gives employees a shot at trimming \$300 off their annual health insurance premiums. In turn, Covenant hopes it can cut its own costs for insuring employees.”

“Plagued by soaring health care costs, Milwaukee-area business leaders are studying ways to keep employees fit, healthy and away from the doctor’s office. The average cost to provide health insurance for an employee in the Milwaukee area will grow 12% to

\$7,922 this year, from \$7,054 a year earlier, according to consultant Hewitt Associates. The figure is among the highest in the country.”

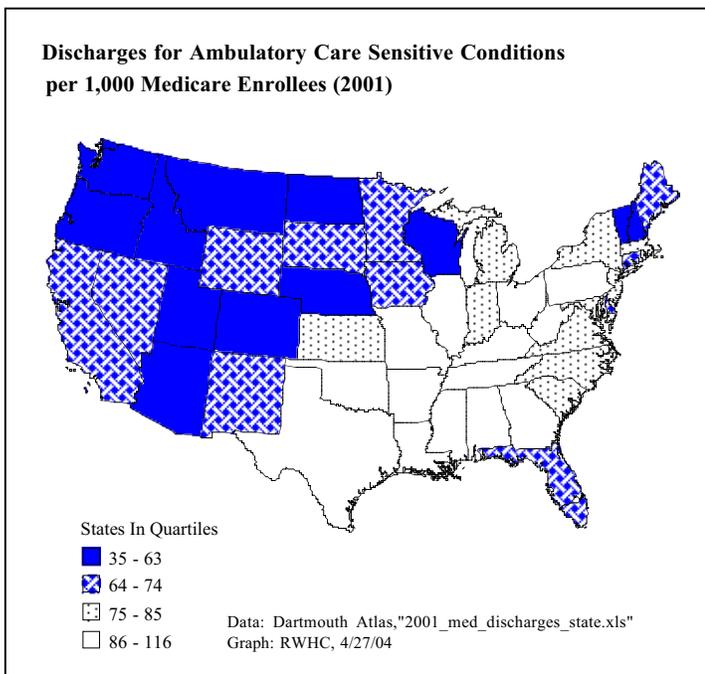
“ ‘Because of beer and brats and an aging population, southeastern Wisconsin has a reputation for having unhealthy people,’ said T. Michael Bolger, chairman of a health care task force of the Greater Milwaukee Committee. ‘We can cut health care costs. If you keep people well and out of the hospital, you don’t spend money.’ The committee hopes to provide a blueprint for businesses to promote healthy lifestyles among workers.”

“ ‘Businesses are ‘in a state of panic’ about rising health care costs,’ said Deborah Seyler, executive director of Milwaukee-based Wellness Council, which helps employers set up programs. ‘Seventy percent of health care costs are related to chronic diseases that are related to lifestyle,’ she said.”

“ ‘Employers are really getting serious about health promotion as a legitimate cost management strategy,’ said Seyler, whose organization added 70 new members in the past year. To cut costs, businesses ‘tinker with co-payments, increase premiums and deductibles, and reduce benefits as well as renegotiate with providers. Now they are down to the last thing on the list, and that is prevention.’ ”

“ ‘If we can change lifestyles, it will have more impact on cutting costs than anything else we can do,’ said Larry Rambo, president of Humana Inc. in Wisconsin and Michigan. Insurers and hospitals are weighing in on the issue. The Wisconsin Association of Health Plans along with hospitals and a leading business group are calling for employers to develop healthy-employee plans.”

“ ‘Ninety-five percent of health care expenditures in this country are devoted to treating the sick, and most of the illness we treat is preventable,’ said Phil Dougherty, deputy director of the Madison-based health maintenance organization trade group. Paul Dell Uomo, Covenant Healthcare’s chief executive officer will send letters this month to businesses in southeastern Wisconsin, urging, ‘Let’s make employee wellness initiatives a community-wide effort to manage rising health care costs.’ ”



E-Commerce No Longer Just for Nerds

From “E-commerce Takes Off, Commerce is Empowering Consumers and Entrepreneurs Alike,” in *The Economist*, 5/13/04:

“Back in 1999, at the height of the internet frenzy, Forrester, a research company, forecast that online retail sales in America could reach \$100 billion by 2002. When the bubble burst a year later, lots of crazy predictions went the same way as many dotcom firms. But if online sales of cars, food and travel are added to the official figures, then Forrester’s forecast, which once looked so wild, has turned out to be only about a year late. The growth continues. The 200m Americans who now have web access are likely to spend more than \$120 billion online this year. And that is only part of the story. E-commerce has not only grown into a huge thing in its own right, it has done so in a way that will change every kind of business, offline as well as online, as our survey explains.”

“E-commerce involves a lot more than retail sales and services such as travel, in which more than half of all bookings are expected to move online within a few years. For instance, billions of dollars of used goods are now sold on internet auction sites, notably on the hugely successful eBay. Second-hand cars are now eBay’s biggest category, sales that many once thought would be impossible to conduct on the internet. Some of the big American dotcoms are now finding that growth is accelerating even faster overseas: eBay’s Chinese service, for instance, is already the biggest e-commerce site in that country. Then there are the billions spent on everything from pornography to financial services—and this does not include business-to-business (B2B) services, already worth more than \$1 trillion a year according to some estimates. Wal-Mart, for one, now conducts all its business with suppliers over a proprietary B2B network.”

“Consumers clearly love to shop on the internet. Competition on the web is fierce. Price transparency is the rule. With shopping-comparison services, it is possible to check the price offered by hundreds of merchants with a couple of mouse clicks. Consumers also have access to an unprecedented amount of product information, not just from manufacturers’

The State of Wisconsin, Office of the Governor

Whereas, the Rural Wisconsin Health Cooperative is twenty-five years old on June 22, 2004; and

Whereas, the Rural Wisconsin Health Cooperative today has over forty hospital participants in various activities involving and affecting hundreds of physicians; and

Whereas, the Rural Wisconsin Health Cooperative strives to provide quality health care to the people of the State of Wisconsin; and

Whereas, the Rural Wisconsin Health Cooperative has undertaken innovative measures to provide accessible care in an efficient and cost-effective manner; and

Whereas, the Rural Wisconsin Health Cooperative is an acknowledged leader in assisting in the development of national health policy concerning rural health delivery; and

Whereas, the member hospitals of the Rural Wisconsin Health Cooperative are leaders in health care in communities all across Wisconsin;

Now Therefore I, Jim Doyle, Governor of the State of Wisconsin, do hereby congratulate the **Rural Wisconsin Health Cooperative** for its achievements on behalf of the people of the State of Wisconsin. I extend my best wishes for continued excellence in health care delivery.

Done at the Capitol in the City of Madison this first day of June in the year two thousand and four.

Signed: Jim Doyle

websites but also from online reviews written by previous customers.”

“The growth of internet shopping is producing a profound change in consumer behavior. People are not just becoming more confident about buying goods and services online, they are also increasingly adept at using the internet to decide where and how to spend their money offline. As yet, very few new cars are sold online. But in America three out of four customers walking into a car showroom have already researched their choice online, down to what color

and accessories they want. And most will know exactly what they need to pay. Some will even have armed themselves with competing quotes from different dealers, often by using specialist websites. Much the same thing is happening with other goods and services, from domestic appliances to holidays.”

“**No company can any longer afford to ignore the internet, even if it does not itself sell much or anything at all online.** Consumers are behaving as if they see no great distinction between online and offline shopping. They do both. For most consumers, the internet is just another sales channel, and a convenient tool for browsing and research, and they make their purchase in whatever way happens to suit them best. To reach these customers, companies have had to look at new and different advertising and marketing strategies. This is why firms are finding that paying for sponsored links to appear on search sites like Google and Yahoo! has become one of the most effective marketing tools, especially for categories of consumers who spend as much time on the internet as they do watching television, such as teenagers.”

Blueprint for Proactive Community Builders

From “Home Town Competitiveness: A Blueprint for Community Builders.” The paper and info regarding the next training opportunities is at: www.heartlandcenter.info/.

“Combining decades of experience in rural development, the Heartland Center for Rural Development, the Center for Rural Entrepreneurship, and the Nebraska Community Foundation used their complementary strengths to focus on relieving the plight of communities in Nebraska and the Great Plains area. Recognizing the dearth of local resources available to rural communities, the group identified specifically targeted strategies that, when undertaken in unison, create a syn-

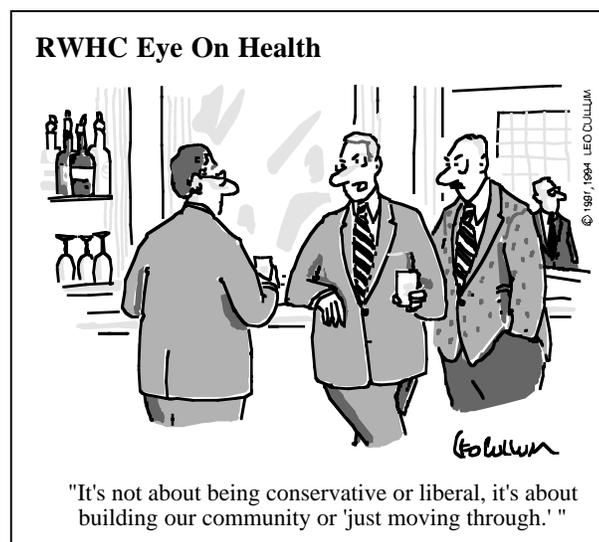
ergy that can significantly impact the future prospects of a distressed rural community. From this collaborative venture, the group identified three critical and interrelated intervention points.”

“**#1 Building new and expanded leadership and community capacity.** Just identifying effective strategies is not enough—community change requires expanding local capacity to implement them, to mobilize community members to work for a new future, and to marshal resources for the community good. Of equal concern, however, is the need to reverse the out-migration of youth. A critical plank in the capacity building strategy requires addressing the out-migration of young people. More and more youth are leaving rural areas and few return. It is not just the call of the city that impels them; it is also the lack of opportunity that drives them. In some cases, the retention of one additional high school student per year can stabilize the population.”

“**#2 Local wealth retention through building community-based endowments.** A study of the transfer of wealth possibilities indicates that many rural communities will lose millions of dollars as real assets are passed on to the next generation—a generation that no longer lives in those hometowns. The loss of these assets, and thus control over the production capacity of the community, will seriously hamper future efforts toward economic and community development. Both the power and the will to use these assets will no longer be tied to the community. Using this data, the Nebraska Community Foundation developed a reasonable target for capturing some 5%

of this transferred wealth into a community foundation capable of funding future community and economic development.”

“**#3 Empowering local entrepreneurs to build new community-based wealth.** Finally, many rural communities invest resources in economic development, but lack a strategic plan for investing those resources toward real job creation and business development.”



“Together, this three-pronged approach provides communities with specific attainable goals allowing them to strategically target scarce resources for maximum impact. Together, these strategies address the root causes of rural decline and over communities a way to work toward a healthy and sustainable future.”

Science Finally Proves Men’s Ties Are Dumb

From “Hazards: All Dressed Up, Carrying Germs” by John O’Neil in *The New York Times*, 5/25/04:

“It’s not news that hospitals are full of sources of infection. But a new study found a new one: Almost half the ties worn by doctors in a Queens hospital proved to be carrying pathogens. By contrast, only 1 of 10 ties belonging to security guards, who have far less close contact with patients, were germ infested.”

“The study was conducted at New York Hospital Medical Center of Queens and was presented yesterday at a conference of the American Society for Mi-

crobiology in New Orleans by one of its authors, Steve Nurkin, a medical student. Mr. Nurkin said he proposed the study when, during a rotation on the hospital’s surgery ward, he noticed that the ties invariably worn by male doctors often swung close to or touched patients when the doctors leaned over hospital beds.”

“The microbes found on 20 of 42 ties included strains that commonly cause in-hospital infections, although none were of the drug-resistant kind that cause the most concern. Mr. Nurkin acknowledged that the study showed only that ties can harbor diseases, not that they transmit them. But he noted that it might not occur to doctors to wash their hands after handling their ties. And unlike white coats, ties are often worn many times between cleanings.”

“Mr. Nurkin, who is now attending medical school in Haifa, Israel, said his findings had elicited many suggestions, among them making bow ties a medical fashion and bringing back tie pins to keep ties from swinging down. Or, he said, American doctors could imitate those he sees in Israel, who never wear ties.”

Space Intentionally Left Blank For Mailing