



Rural Wisconsin Hospital Cooperative

Executive Director's Report

as of February 1994

Reform–Wisconsin Style

As of Monday, my best guess is that the Senate and Assembly will agree on a package that implements the Governor's small market insurance reform and expands Healthy Start. I am less certain but believe they will probably agree to have the state group insurance board play a role in negotiating coverage for certain private employers. I believe Expanding Wisconcare or implementing HealthNet are non-starters at this time. After breakfast on Tuesday with the Insurance Commissioner and by the time we meet Friday, this picture may be clearer.

UW Medical School Changes Vision

The following is the draft product of the Medical School strategic planning process, in my estimation it is a significant step forward:

Our Vision of the University of Wisconsin-Madison Medical Center (Medical School, UWMC, Practice Plan) derives from the rich and long tradition of academic accomplishment and public service embodied in this land grant institution established to serve the needs of the citizens of the State and nation. Our special focus is to improve the health of our citizens by excelling in education,

research, clinical practice, and community service. We will accomplish this by an integrated approach bridging basic and clinical sciences that recognizes and incorporates related centers of excellence throughout the University and our community.

Discussing Reform and Rural Health

In February I spoke about reform and rural health at the St. Croix Falls Hospital, the Madison Reform Temple Men's Group and before a Ft Atkinson community forum sponsored by Rep. David Ward. Excerpts from these talks are given in the following sections marked with a ☞.

☞ Reform Trends Underway

In Congress reform boils down to the role of government (single payer vs. managed competition) and whether or not we are our brother's keeper (speed and degree of reduction of the numbers of uninsured). However outside of Washington significant health care system change is already well under way as evidenced by the following clear trends:

- √ **Health Care Focus:**
Treatment → Prevention

- ✓ **Medical Leadership:**
Specialists → Generalists
- ✓ **Professional/Corporate Work:**
Fragmentation → Collaboration
- ✓ **Insurance Premium Rating:**
Risk Based → Community
- ✓ **Insurance Coverage:**
Pre-existing Conditions → Portability

50% favor, 47% oppose

- **How is your own care?**

Doctor: 39% excellent
49% good
12% fair to poor

Hospital: 40% excellent
34% good
26% fair to poor

👉 **Clear Direction From Voters?**

Wisconsin Senate President, Brian Rude uses the following poll data as a good example of why reform is such a difficult issue for legislative bodies—the very divided nature of public opinion. His data comes from an April 5th poll by Newsweek:

- **What is your biggest concern about health care?**

50% cost, 37% quality, 11% availability
- **If forced to pay more for choice, what would you do?**

53% pay more, 41% give up choice
- **Would you support legislation to control health care costs even if it meant restricting people’s options?**

48% support, 46% oppose
- **Should health care be funded mostly by ...?**

44% federal government, 49% employers/employees
- **Would you favor or oppose higher taxes to reform health care?**

👉 **Reform’s Message Is Clear**

Regardless of the direction taken in either Madison or Washington, “reform’s” message is already clear; system incentives will clearly tend to reward players as follows:

- 🍏 **Providers**—do more, better, for less through collaboration.
- 🍏 **Physicians**—generalists are not “2nd class” colleagues.
- 🍏 **Insurers**—profit by serving, not avoiding sick people.
- 🍏 **Employers**—the business axiom “no free lunch” applies to health insurance.
- 🍏 **Individuals**—preventing illness is better than treating it.
- 🍏 **Medical Schools**—if you’re not part of solution, you’re part of problem.
- 🍏 **Government**—the cost and number uninsured must be reduced.

☞ Some Of The Unresolved Issues

The following are some of the key issues that have been identified as being particularly important to the future of rural health:

- ? Resolving the conflict between anti-trust enforcement and Accountable Health Plan development.
- ? Preventing a few large Accountable Health Plans from coming to dominate each region.
- ? Ensuring a “level playing field” for rural/inner city providers vs. the “carriage trade” providers.
- ? Ensuring adequate Accountable Health Plan coverage in underserved areas?
- ? Implementing single payer regulation for non-competitive areas.
- ? Developing the “risk adjustment process” necessary to keep insurers from competing by avoiding sick people escape politics without undue political interference.
- ? Keeping up with the escalating demand for an equitable supply and distribution of primary care providers.
- ? Balancing the need for academic medical centers with cost effective care?
- ? Allowing variation in the standard benefit package to meet unique rural needs such as reduced access to home-health.

Monato Prize Fund Self-Sustaining

As of last week, the endowment to fund the UW Medical School’s Hermes Monato Rural Essay Prize became self-sustaining, large enough to generate annual earnings for the \$750 prize. Executive Director honoraria for the remainder of 1994 will continue to be directed to this fund in order to allow for future increases in the annual prize.

New Wisconsin Policy Institute

The University of Wisconsin Medical School has established a long awaited Wisconsin Health Policy Institute under the direction of David Kindig. I have accepted an invitation to serve on their Advisory Board. The Institute is intended to promote and direct research relevant to Wisconsin and national policy.

Nomination to National Rural Council

As a number of seats are about to open up on the National Advisory Council on Rural Health I have initiated the process of lobbying Secretary Shalala for an appointment. This Council advises Jeff Human, Director of the Federal Office of Rural Health Policy. It is an excellent way to stay current on major federal initiatives.

Elderly Services Grant Opportunity

As I wrote to you previously, RWHC and WHA are co-sponsoring a meeting with David Nolan representing the Robert Wood Johnson Foundation (RWJF) and the National Cooperative Bank Development Corporation (NCBDC). We will meet in Sauk City at the Cedarberry, the morning of

Thursday, March 17th. By now, you should have received a formal invitation from WHA with a response postcard.

WI Pursues HCFA Networking Grant

The Wisconsin Division of Health has prepared what looks like an excellent application for the Health Care Financing Administration's State Rural Health Network Reform initiative in order to stimulate the development of Rural Strategic Provider Alliances.

Their proposal demonstrates an understanding of the critical need to couple an empowerment of local communities with the enhancement of our state-wide infrastructure. It fits the particular niche that is "overflowed" by the major HMO and multi-specialty group multi-county expansions—the neglected need to focus on intra-community networking amongst all local providers, in particular between local public health agencies, the local hospital and medical providers.

The Division of Health is attempting to provide leadership in the development of public-private partnerships and in particular of partnerships to bridge the historical separation among many health and social service providers.

