
M E M O R A N D U M

DATE: September 30, 2003
TO: Members of UW Medical School OAC
FROM: Bobby Peterson, ABC for Health, Inc. and
Darcy Haber, Wisconsin Citizen Action
RE: RFP Commentary
CC: WUHF Board Members

Introduction

ABC for Health, Inc. and Wisconsin Citizen Action appreciate the opportunity to put forth our comments and suggestions on UW Medical School Oversight Advisory Committee's Request for Partnerships (RFP) for the use of the Blue Cross-Blue Shield funds. In general, we maintain that Blue Cross Blue Shield Conversion funds must be used to address Wisconsin's health care coverage and access crisis head-on. To do so in a sustainable way, we must invest substantial resources in transforming and modernizing our public health care system to ensure that each person in this state can access the care and coverage they need.

If you have any questions, please do not hesitate to contact Bobby Peterson at bobbyp@safetyweb.org or (608) 261-6939, ext. 201 or Darcy Haber dhaber@wi-citizenaction.org at (608) 256-1250 ext. 16.

**THE REQUIREMENT OF FACULTY PARTNER FOR EACH AND EVERY
COMMUNITY-BASED INITIATIVE IS OVERLY RESTRICTIVE.**

While the Insurance Commissioner's Order (ICO) gives the Oversight and Advisory Committee (OAC) the responsibility to determine how to spend the public health portion of the endowment, the OAC has interpreted the ICO very narrowly, with the result being

the Partnerships Program. The partnerships, as they are structured now, are *not* mandated by the ICO and are problematic for many reasons. Ultimately, we urge that that this unnecessary hurdle of required partnerships with the UW Medical School for community organizations be removed from the RFP.

The ICO requires that the Public and Community Health Oversight and Advisory Committees (PCHOACs) determine how to spend the public health portion of the endowment: "The PCHOAC has authority over the application of funds allocated for public health" (ICO, p.26). The ICO also stipulates that this part of the endowment "be expended for public health, [that] the allocation for public health community-based initiatives is appropriate, [and that] standards for access to the funds for public health community-based initiatives...are reasonable" (ICO, 26). And finally, according to the ICO, "The public health allocated percentage of the funds distributed to the UWMS may be expended *only* for public health and *public health community-based initiatives*" (ICO, 27, emphasis added).

Therefore, ICO requirements should not be narrowly interpreted to suggest that the partnerships with the schools are mandated. The ICO states, "funds allocated for public health must be expended through, or in collaboration with, the UW Medical School....funds may be expended only if the UW Medical School approves the expenditure and carries out, or participates in some manner, in the program or project" (ICO, 27). Presumably, this direction is where the idea of the partnerships originated. However, given that the OAC is made up of half UWMS faculty and chaired by the Dean of the school and has the power to approve each expenditure, we maintain that there is already sufficient UWMS involvement. Requiring that a faculty member be "actively engaged" in each and every project is excessive and unnecessary.

Not only are partnerships not required by the ICO, they take resources away from community organizations. For example, large dollar amounts have been allocated for "Collaboration Planning Grants" for providing "support in identifying and building potential partnerships" (RFP, 4) between community members and UWMS faculty. The

RFP allocates between \$50,000 and \$150,000 to achieve the goal of building these relationships. Furthermore, the funding 'flowback' to the UWMS in the form of salary for time spent on such partnerships from Implementation Grants is nothing short of skimming the cream off the projects and community-based organizations that badly need resources to execute projects for the uninsured. The requirement of faculty partners is a tax on public health projects, which ought to be initiated, staffed and controlled by community organizations.

In addition to this drain on funds set aside for community organizations, requiring that public health community-based projects have a medical school faculty partner does not seem to be practical, necessary or reasonable. One can imagine many public health projects where involvement of a faculty partner would be superfluous. Also, the question remains of whether or not the UWMS has enough faculty who are qualified or interested to work on such public health projects. And as it stands now, a valuable, worthy project developed by a community organization may go without funding if a qualified faculty partner is not available or not interested. This inequitable treatment of certain local projects cannot be in the public's interest and local projects should not be faulted for the schools lack of certain public health related expertise.

The idea of partnering may be good in some cases, but not in all. If expertise is the justification, requiring community organizations to have a faculty partner is insulting to their integrity and their knowledge of the population they work with. Such requirements smack of paternalism and are condescending in the way they infringe on local independence and control. In the event that partnerships are determined to be appropriate or necessary for a given project, we maintain that voluntary associations will occur naturally. Rather than facilitating a partnership, the RFP as it stands now represents more of a mechanism of control over projects and resources. It is unnecessary and a drain on the already reduced portion conversion funds that ideally should make their way directly into communities. Finally, please see the attached chart for our vision of healthy partnerships.

Community-Based Initiatives Must Be A Priority For A Majority Of These Funds

Public health needs are both great and varied across Wisconsin and the funding available to address such needs is small. (In contrast to the vast sum of money available from the NIH and other sources for medical research) Community organizations and local public health departments in every corner of Wisconsin know these needs best and are well suited to address them if resources are available. Therefore, in response to the needs of the people of Wisconsin, the OAC must allocate more than 35% of the funds for community-based initiatives. Presently, the RFP states that 35% of the funds will be available, but we maintain that the OAC has not given due consideration to this allocation. As we have stated previously, despite community committee members' concerns, and the OAC's ability to change the allocation, the decision to leave the split as preordained by the Insurance Commissioner was both irresponsible and shortsighted. The obvious bias and conflict of interest of the schools in this regard was evidenced by Chair Dean Farrell, who still had visions of a building complex at the time, as he pushed the measure through unchallenged at the end of a five-hour, late-night meeting.¹ This is not the way decisions about public health resources should be made in Wisconsin.

Pre-Approved Initiatives

Pre-approved initiatives in the UWMS 35% portion will have to write RFP's, according to the minutes of the July 7th meeting of the OAC, but these will not be required to engage in the competitive application process. Though these organizations do important work, there is no justification in giving them an advantage in a competitive application process. Moreover the unfair advantage appears not to be limited to the pre-approved initiatives, as it seems that members of the OAC have received commitments for their projects as well. Nancy Miller-Korth listed the Great Lakes Inter-Tribal Council on her conflict of interest form, and yet this very organization is a part of the pre-approved Native American Health Research initiative. Similarly, Patrick Remington is one of the main organizers of the Wisconsin Public Health Leadership Institute, another pre-approved initiative. These pre-approved initiatives are irresponsible, undermine the

¹ Representatives of ABC for Health, Wisconsin Citizen Action and the media were present to witness the disproportionate amount of power the Dean of the UW Medical School/Chair of OAC was able to exercise over this discussion.

credibility of the process and render the OAC members' conflict of interest forms meaningless. The answer here is simple: all proposed projects should be required to complete the RFP and the formal review process.

Eligible Applicants Should Not Include UWMS

According to the UWMS 5-year plan, "Proposals [for grants from the community-academic partnerships fund] from Medical School faculty and academic staff to support population health initiatives will be reviewed and approved by the OAC" (plan, 15). This should be disallowed. The medical schools already have virtually free reign over sixty-five percent of the conversion funds. Therefore, eligible applicants for the partnership program, (if the plan is allowed to go forward) which now includes "universities and schools" in the UWMS RFP, should explicitly exclude the UWMS.

Access

In the current draft of the RFP, there is a lack of priority placed on addressing the "Access" issue, which is a top priority in Healthiest Wisconsin 2010. As outlined at the WUHF hearing, access to care for the uninsured is an extraordinarily difficult challenge. Although we do not advocate funding direct medical services for the uninsured from the endowment, we do believe there should be a "systems approach" to addressing the overall problem and working towards a solution. Many community-based organizations are at the front line of innovative activities to help the uninsured in their communities. Some of these models could be expanded, tested and developed further to address the problem at a statewide and systemic level.

Review Process, Conflict of Interest

We also are very concerned about the review process for these proposals. Throughout the OAC's review process, we have been concerned about the inherent conflict of interest of having the deans (or President in the case of Bolger) of both medical schools chairing these committees. The deans have a strong interest in preserving funding for their schools and this could manifest itself as it did in the earlier proposals including developing new buildings and library materials. An independent review needs to occur that does not include persons with a conflict of interest. Proposals submitted from the medical school will be weighted more heavily merely because they are known quantities whereas community organizations that do not have affiliations with the medical school faculty will be at a significant disadvantage. We suggest that both OAC committees to set up an independent review body for the RFP's that do not include members of the OAC or medical school faculty.

Supplanting

Though attention to supplanting in the current draft of the RFP is much improved from previous drafts, in order to comply with the ICO, applicants must provide a detailed description of other possible sources of funding and whether or not the organization has applied to those sources. The Commissioner's Order states:

"(16) SUPPLANTING OF OTHER RESOURCES PROHIBITED. The funds may not be used to supplant funds or resources that are available from other sources. The medical schools, for each proposal approved, and for each program funded, must make a written determination that the application of the funds will not supplant other resources that may be available to accomplish the same purpose and file the written determination with the PCHOAC." (Emphasis added).

Coordination of Resource Allocation

The coordination of resources between the state, the schools' (UW Medical School alone having an annual budget of \$338 million), the private sector and the Blue Cross Funds is a glaring omission in the plan. There is a frightening opportunity to squander and misapply funds in activities that could or should be funded elsewhere. The RFP and the schools' plans should coordinate with the mosaic of public and private resources available to address the public health of our states residents. Moreover the RFP should require specific plans on how these scarce funds will address the priority unmet needs of the state and fill the gaps left in our public health system.

In closing, thank you for this opportunity to respond to the RFP. Please carefully consider our concerns regarding the requirement of faculty partners, pre-approved initiatives, emphasis on access, conflicts of interest, supplanting, and coordination of resource allocation. Finally, please remember that the portion of the conversion endowment governed by this RFP was designated by the ICO for public health community-based initiatives.