



# HealthWatch Wisconsin ***ACTION ALERT***

August 4, 2010

Questions WUHF Should Ask the Medical Schools!

## In This Issue

[Wisconsin United for Health Foundation Board Meets August 9!](#)

[TEN QUESTIONS the Wisconsin United for Health Foundation Board Should Ask the Medical Schools](#)

[Email Your Questions!](#)

[HealthWatch Wisconsin Project Successes](#)

[HealthWatch Wisconsin Membership Before the August 9 Meeting...](#)

[Legislative Audit Bureau Reports:](#)

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## Wisconsin United for Health Foundation Board Meets August 9!

The Wisconsin United for Health Foundation (WUHF) Board members, over the course of the next few days, will draft written questions to both medical schools, to continue the conversation started at a July 15 meeting, where the Legislative Audit Bureau (LAB) Report was presented. Board members are encouraged to identify areas of concern and considerations coming out of the LAB Report, as well as any other items that may be immediately relevant to the BCBS Conversion Fund conversation. The medical schools, in turn, are requested to respond to each of the questions, in writing, in time for the following WUHF Board meeting. Attend the meeting:

**WUHF Board Meeting  
Monday, August 9, 2010  
10:30am-1:30pm  
Best Western Inn on the Park  
Madison, WI**

## TEN QUESTIONS the Wisconsin United for Health Foundation Board Should Ask the Medical Schools

In preparation for the August 9, 2010 WUHF meeting, the staff of HealthWatch Wisconsin has drafted our own questions--those we urge the WUHF Board to ask the two medical schools. We explain them here:

**1. How are Wisconsin residents better off as a result of the \$70.2 million grants distributed in the last 5 years?\***

The original intent of the Insurance Commissioner's Order was that the conversion funds would support

## September Workshops: "Immigrant Health Coverage Options"

ABC for Health will hold live, in-person trainings for all skill levels in Madison and Milwaukee this September! Join us as we spend 3 hours digging into public benefits options for nonqualified immigrants, undocumented immigrants with citizen children, changes in new legislation affecting immigrants with legal permanent resident status, and more! This training starts with "the basics" and advances to "intermediate" level strategies! Not sure if it's appropriate for you? Call ABC for Health at (608)261-6939 ext. 210! ABC for Health will be in an area near you:

### Madison

Tuesday, September 14, 2010  
9:00am-12:00pm  
Alliant Energy Center,  
Monona Room  
1919 Alliant Energy Center  
Way  
Madison, WI 53713

### Milwaukee

Thursday, September 16,  
2010  
1:00pm-4:00pm  
Boy Scouts of America  
330 S. 84th Street  
Milwaukee, WI 53214

advances in Wisconsin's public health. The medical schools should provide evidence that funded medical research projects are improving the health of Wisconsin's residents.

## 2. Why should we "leverage" national research funds to improve the health of Wisconsin residents?

Both medical schools emphasize that many projects supported by conversion funds subsequently won funding from other sources. At the July 15 WUHF Board meeting, each school noted projects that have received millions from such sources as the National Institutes of Health and the American Recovery and Reinvestments Act, and the schools celebrated this "return on investment" as a major achievement. While attracting more funding is no doubt good for the schools, we ask if this is the most important "return" for the residents of Wisconsin, whose money the schools are investing. Rather than additional funding generated, a more relevant measure of success might be clear improvements in the state's health and access to healthcare.

## 3. Why should the WUHF Board accept the medical schools' definition of supplanting?

In addition to spending conversion funds on core medical school functions, the schools are also spending the funds on research projects for which other funding is available. Why should funds whose special purpose is to improve Wisconsin's public health support research in such areas as genomics, stem cells, cancer, and cardiovascular disease, when such research projects can receive funding from national sources? Why shouldn't the people of Wisconsin expect the schools to secure other available funds before tapping into these scarce public health resources?

## 4. How do expenditures on core medical school functions improve the health of Wisconsin residents?

The schools are well funded institutions with an annual combined budget of over \$1.35 billion. Yet, the LAB report found that the medical schools used conversion funds to pay for basic operating functions, such as recruiting faculty, purchasing equipment, and developing degree programs. In other words, the schools have been supplanting their operational budgets with funds that should be improving the health of the Wisconsin's residents.

## 5. Why should the Deans have discretionary authority over any portion of the conversion funds?

As the Order notes, the interests of the schools are not identical to the public's interest. However, at both schools the Deans awarded a substantial portion of the funds without making that portion available to competitive proposals. Remember that the schools operating budgets exceed \$1.35 billion a year! At UW, the Dean awarded \$7 million, or 16.1%, of the medical education and research funds. At MCW, the Dean awarded \$33.7 million, or more than 70% of that school's medical education and research grants. Moreover, MCW intends to give the Dean complete control over the awarding of all funds from 2009 to 2014. Given that the Deans' interests and those of the public are not the same, how is this discretionary authority justified?

## 6. Why should WUHF trust the schools to correct the blatant disregard for conflicts that existed

Please **[CLICK HERE](#)** to download a registration form. Print, Complete and Return your registration form to ABC for Health via Mail: 32 N. Bassett St., Madison, WI 53703 or Fax: (608)261-6938. Attention HealthWatch Wisconsin Members: This workshop is FREE because you are a member! Thank you for joining HealthWatch Wisconsin. Not a member? It's not too late to join and take advantage of significant savings. Select the "registering for HealthWatch AND this Workshop" option on the registration form!

## JOIN US...

### **...in uniting the Public Health Workforce through comprehensive education and advocacy**

Become a member of HealthWatch Wisconsin! Whether you are joining for the first time or renewing your membership, you are teaming up with an impressive effort in Wisconsin that will work to focus and amplify the voices of health care advocates across the state. The membership year began July 1, 2010!! **[Click](#)**

## **with some grant review?**

Five of the forty public health projects reviewed by the Legislative Audit Bureau involved a recipient that was affiliated with a member of the oversight and advisory committee. Conflicts of interest taint over 10% of the reviewed public health awards and may afflict an even higher percentage of the total grants made. Additionally, the LAB did not review at least two public health grants involving a board member as the principle investigator. The LAB report identified troubling conflicts of interests and patterns of self-dealing at both medical schools. Leaders at both schools asked WUHF to "trust us" and characterized the institutions as "Citadels of Probity". How can the WUHF Board and the public trust the medical schools to spend the conversion funds appropriately and ethically? Given the findings in the LAB report, we have little reason to trust the schools. The schools must take action to clean up their granting process and regain our trust.

### **7. Why require an academic partner for all community public health grants?**

Both schools defend the academic partner requirement. At the July 15 WUHF Board meeting, representatives from both schools pointed out that academic partners can supply expertise that community groups lack. While that is no doubt true in some cases, the schools did not present any convincing argument why the academic partner cannot be optional. Community grant seekers whose projects would benefit from an academic partner should seek one. But when an academic partner is unnecessary, why should it be a requirement?

### **8. Why not let WUHF, a body external to the schools, review the allocation of public resources (also known as the 35/65 split between public health and medical education and research)?**

Since the original Order of 2000, the internal committees of the medical schools have refused to adjust the 35/65 split between public health initiatives and medical education and research. This emphasis on medical education and research is untypical of other Blue Cross-Blue Shield conversion funds. Most conversion funds in other states direct the majority of the funding to public health. The medical schools should explain how the current split provides the highest level of service to the people of Wisconsin.

### **9. Under what conditions will the Medical Schools re-evaluate the 35/65 split?**

The healthcare landscape has changed in profound ways since the original order. The funds grew exponentially from \$250 million to well over \$600 million. Federal Health Reform and the American Recovery and Reinvestment Act have brought and will likely continue to bring additional education and research funding to the medical schools. Wisconsin experienced a potentially dangerous flu pandemic that strapped our public health infrastructure. Despite these changes opportunities and threats, the medical schools have resisted changing the 35/65 split.

### **10. Why do the schools oppose efforts to modify and clarify the Commissioner's order?**

The Commissioner of Insurance could amend the Order to clarify the supplanting prohibition and the appropriate use of research funds. Amendments could require that grant seekers demonstrate the Wisconsin-specific focus of their research as a part of the grant application process, and that grant seekers indicate on

[Here](#) to complete a membership application!  
**Your individual membership fee for 2010-2011 is \$30.** Your workplace can purchase an **organizational membership for \$120.**

### Save the Date: HealthWatch Wisconsin Fall Conference

We're looking ahead to October--Mark your calendar for HealthWatch Wisconsin's:

The Changing Landscape of Insurance after Health Reform \*\*a full day of workshops\*\*

Thursday, October 28, 2010  
 9:00am-4:30pm  
 Inn on the Park  
 22 S. Carroll Street, Madison, WI 53703

Reduced registration cost will be available for members of HealthWatch Wisconsin! Join HealthWatch Wisconsin to take advantage of savings throughout the year! Conference sessions will be led by regulators, policy makers, and advocates in Wisconsin, including: Wisconsin's Commissioner of Insurance Sean Dilweg, representatives from

their applications that they have investigated other funding sources and found no other funding available for the project. An amendment could also grant WUHF the power to revisit the 35/65 split.

\*See our discussion of how Wisconsinites are "better off" below!

## Email Your Questions!

**Weigh in on what the WUHF Board should be asking the two medical schools! [Email your suggestions](#) to the WUHF Board directly! Questions? [Email HealthWatch Wisconsin.](#)**

## HealthWatch Wisconsin Project Successes

ABC for Health asked the WUHF Board to get answers from Wisconsin's Medical Schools on the question, "How are Wisconsin residents better off as a result of the \$70.2 million grants distributed in the last 5 years?" The original intent of the Insurance Commissioner's Order was that the Blue Cross Blue Shield conversion funds would support advances in Wisconsin's public health. The medical schools should provide evidence that funded medical research projects are improving the health of Wisconsin's residents.

ABC for Health provides background on the success of its project, HealthWatch Wisconsin, funded under a Wisconsin Partnership Program grant from 3/1/07 to 2/28/10. The overall project goal of HealthWatch Wisconsin is to transform the public health system by assuring a more sufficient, competent, and coordinated public health workforce that will assist people to access health care coverage and services. HealthWatch staff have met and exceeded the overall project object of increasing the capacity of at least 600 members of the public health work force to assure access to health care coverage and services for Wisconsin's un- and under-insured populations.

Strategy:	Outcome:	Notes:
<b>Training and Education</b>	HealthWatch trained over <b>3,000</b> public health professionals and over 300 consumers on public benefits, private insurance, and advocacy strategies over the 3 year grant period (over <b>2,000</b> attended in-person or web cast trainings in 2009 alone).	HealthWatch takes lessons learned from contact with Wisconsin families and translates that into training, education, and policy recommendations.

Wisconsin's Health Insurance Risk Sharing Plan, Bobby Peterson and attorneys from ABC for Health, members of the Wisconsin Legislature, and more!

HealthWatch Wisconsin will debut its new publication "My Health Reform Guidebook for Wisconsin" at this event! The publication is included FREE for members of HealthWatch Wisconsin!!

Continuing education credits will be offered for attorneys, social workers, and other professionals. A light breakfast and lunch and conference CD will be included in your reservation cost! Further details will be released as confirmed. See you in Madison in October!

**Save the Date:  
HealthWatch Wisconsin  
Fall Conference**

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The Changing Landscape of Insurance after Health Reform  
\*\*a full day of workshops\*\*

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22 S. Carroll Street, Madison,

	HealthWatch has hosted 3 Annual Conferences, reaching over <b>450</b> public health workforce members (These 450 individuals are included in the 3,000 tally above)	Annual Conferences provided an opportunity for networking, training, and discussing local and statewide issues to create the following year's training menu; transformed the health care landscape and increased the capacity and of the public health workforce
	Conference attendees each year received comprehensive materials, including 12 publications and over 40 PowerPoints	
<b>Development of a HealthWatch Wisconsin Leadership Council</b>	Sustained yearly membership of over <b>300</b> public health professionals	Council Members: Literacy Network; CESA #11 Head Start; Marquette Univ. Dental School; WI Alliance for Women's Health; Unity Health Insurance; Community Advocates; SE Regional Center for CYSHCN; Southside Health Center; WI Council on Children and Families; Covering Kids and Families-WI; and UW Hospital
	HealthWatch receives 30 unique nominations for the leadership council each year	
	Members attend an Annual Member meeting, elect a new Council of 15 diverse community leaders	
<b>Build and Sustain new local HealthWatch Coalitions across Wisconsin</b>	Development of two new Coalitions in Dunn County, supported by a mini-grant, and Tri-County (Calumet, Winnebago, Outagamie)	Coalitions are localized "hubs" of HealthWatch Wisconsin, focusing on access issues and troubleshooting specific to the unique location in the state.

## WI 53703

Reduced registration cost will be available for members of HealthWatch Wisconsin! Join HealthWatch Wisconsin to take advantage of savings throughout the year! Conference sessions will be led by regulators, policy makers, and advocates in Wisconsin, including: Wisconsin's Commissioner of Insurance Sean Dilweg, representatives from Wisconsin's Health Insurance Risk Sharing Plan, Bobby Peterson and attorneys from ABC for Health, members of the Wisconsin Legislature, and more!

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**About WUHF:**

	HealthWatch increased the number of formal HW coalitions to 10, affecting all of WI's PH Regions	Coalitions have a diverse membership of local health departments, hospital staff, advocates, head start, birth to three, school district, nurses, faith community, HMOs, etc.
	Ongoing technical assistance, regular teleconferences, and trainings for Coalitions	
<b>Issue Identification and Tracking</b>	In the 3 year period, over <b>4,000</b> families were served (Over <b>2,000</b> in 2009 alone) <b>(In Kind)</b>	The number of families served far exceeded the initial projection of 550 individuals for the entire 3-year grant period.
	Over <b>1,000</b> public health professionals receive the HealthWatch newsletter	Consistently, over 33% had no health insurance of any kind, and 75% reported having medical debt. The average ABC client had a household income below 125% FPL.
	Over <b>100</b> public health professionals each month watch a HealthWatch Web Cast	

**HealthWatch Wisconsin Membership**

HealthWatch Wisconsin is a growing, membership organization. Take a look at who's a member:

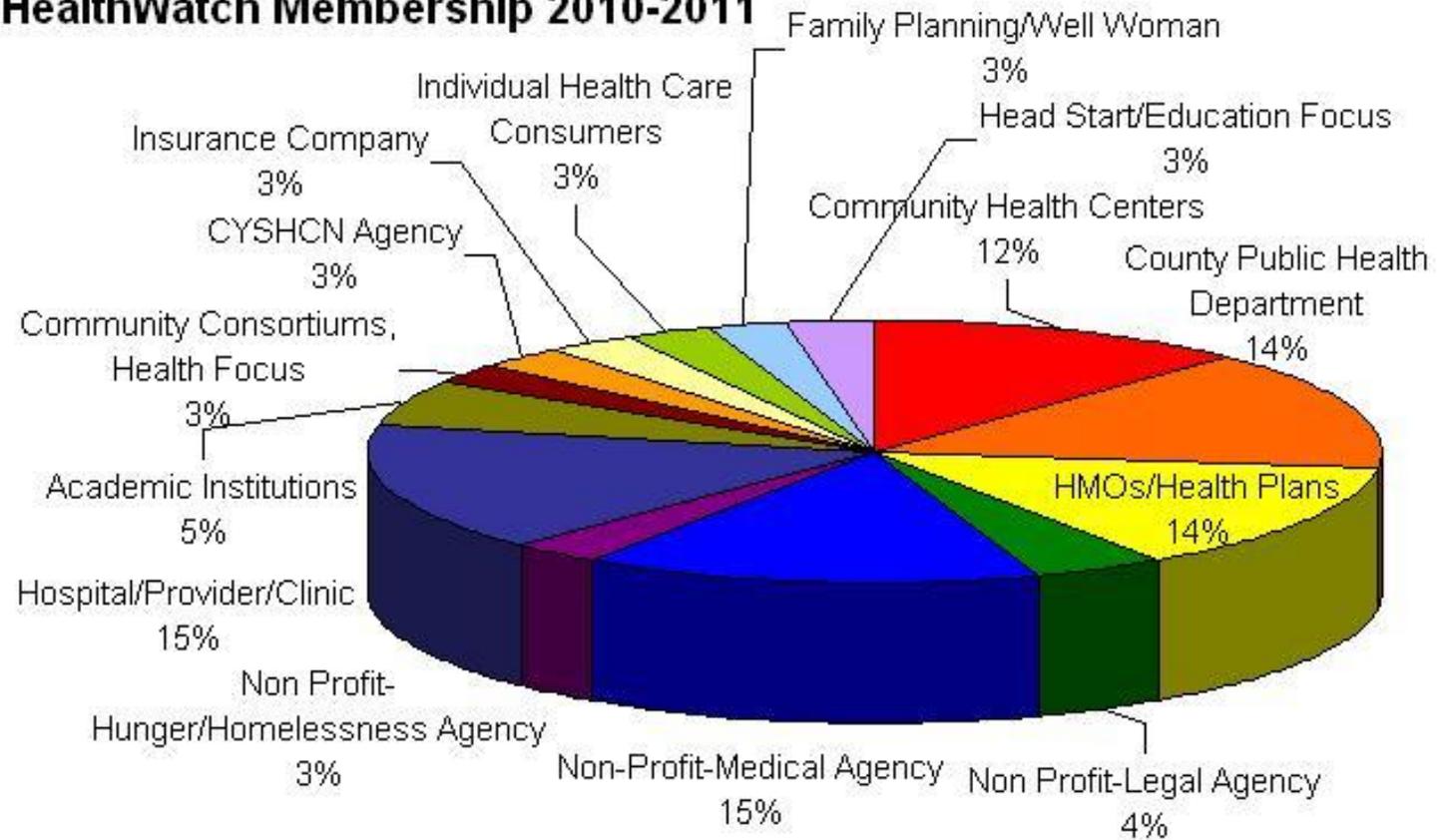
- In 1999 Blue Cross & Blue Shield United of Wisconsin become a for profit stock corporation
- Conversion funds were split equally between the UW Medical School and the Medical College of Wisconsin.
- The Foundation's primary purpose is to realize the full value of Blue Cross/Blue Shield and to transfer the proceeds from the sale of the stock to the two medical schools.
- The Foundation also reviews and approves revised five-year plans, submitted by the two medical schools, to ensure compliance with the Insurance Commissioner's Order.

### We're on Facebook and Twitter!

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### Miss a Newsletter?

## HealthWatch Membership 2010-2011



### Before the August 9 Meeting...

In a packed ballroom at Madison's Concourse Hotel in the afternoon of July 15, the Legislative Audit Bureau (LAB) documented their findings after months of digging into the policy, procedure, and practice of the Blue Cross Blue Shield (BCBS) Conversion Funds, held in endowments by Wisconsin's two medical schools. This money represents BCBS's payback to the people of Wisconsin as part of the company's 2001 conversion to a for-profit entity. An Insurance Commissioner Order entrusted \$600 million to the Medical College of Wisconsin and The University of Wisconsin School of Medicine and Public Health, to promote public health and education initiatives that will benefit the people of Wisconsin. However, the recent [Legislative Audit Bureau \(LAB\) Report](#) suggests the medical schools periodically used the funds to benefit their own institutions, rather than the public's health.

### Legislative Audit Bureau Reports:

This money represents Blue Cross-Blue Shield's payback to the people of Wisconsin as part of the company's

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ABC for Health, Inc. is a Wisconsin-based, nonprofit public interest law firm dedicated to linking children and families, particularly those with special health care needs, to health care benefits and services. ABC for Health's mission is to provide information, advocacy tools, legal services, and expert support needed to obtain, maintain, and finance health care coverage and services.

2001 conversion to a for-profit entity. An Insurance Commissioner Order entrusted the \$600 million to the Medical College of Wisconsin and The University of Wisconsin School of Medicine and Public Health, to promote public health and education initiatives that will **benefit the people of Wisconsin**. However, the recent [Legislative Audit Bureau \(LAB\) Report](#) suggests the medical schools' periodically used the funds to **benefit their own institutions**, rather than the public's health.

Under the terms of a March 2000 order issued by the Office of the Commissioner of Insurance, Blue Cross Blue Shield United of Wisconsin converted from a not-for-profit hospital service insurance corporation to a for-profit, publicly held stock insurance corporation and provided **\$630.4 million** to endowments held by the Medical College of Wisconsin and the University of Wisconsin (UW) School of Medicine and Public Health. The Legislative Audit Bureau has conducted an evaluation of the endowments (the Wisconsin Partnership Program and the Advancing a Healthier Wisconsin Program).

In a [full report](#) issued May 12, 2010, called "[Medical Education, Research, and Public Health Grants](#)," the auditors included the following recommendations for the Medical College of Wisconsin and the UW School of Medicine and Public Health to:

- Ensure that project proposals include clear objectives before funds are awarded
- Improve project monitoring, including clarifying when grantees must notify program staff of modifications to project objectives
- Ensure that grant applicants disclose all external funding on their supplanting forms
- Clarify conflict-of-interest policies

In addition, the Audit Bureau offers the following recommendations ([on page 93 of the report](#)):

- The Medical College of Wisconsin include its unallowable cost policy in the guidelines for medical education and research grants
- The Commissioner of Insurance work with the Foundation and both medical schools to clarify several policy issues in order to ensure that funds are spent in a manner that is consistent with the intent of the order.

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