



HealthWatch Wisconsin

REPORTER

July 20, 2010

Your Source for the Analysis of Complex Healthcare Coverage Issues!

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ABC for Health in partnership with HealthWatch Wisconsin, a membership organization that focuses work on maximizing access to care and coverage for the people of Wisconsin, has developed a new feature: "The HealthWatch Wisconsin Reporter" to highlight large scale and important health care coverage issues that require deeper analysis and review. "This new feature tackles the big issues, providing in-depth analysis and insight into complex questions. In its debut, the HealthWatch Wisconsin Reporter, available on the [HealthWatch Wisconsin website](#) as well as the [ABC for Health website](#) takes on the big money issues facing Wisconsin, namely, the Legislative Audit Bureau Report to the Wisconsin United for Health Foundation Board," said Bobby Peterson, public interest attorney and Executive Director of ABC for Health, Inc (ABC).

Immigrant Health Issues Workshops!

Back by Popular Demand!

Join the staff of ABC for Health on September 14 in Madison or

Special Report: WUHF Board Meets in Madison

Welcome to the HealthWatch Wisconsin Reporter: An occasional feature for in-depth analysis on issues unique to the Public Health Workforce in Wisconsin. You are receiving this Special Edition Newsletter as a benefit of being a subscriber to the HealthWatch Wisconsin Update Newsletter! Thank you!



The Legislative Audit Bureau Report to the Wisconsin United for Health Foundation Board

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. Wisconsin United for Health Foundation (WUHF) Board members listened attentively as the Audit Bureau Report was summarized into key findings and recommendations. Peaking the interest of Board members was the final slide in an efficient [PowerPoint presentation](#), simply titled, "Policy Considerations."

LAB Policy Considerations:

- **Amend Conflict of Interest Policies.** This is something the schools can do right away, without involving outside stakeholders.
- **Clarify "allowable uses" of medical education and research funds.** The LAB was concerned with the very broad interpretation of the "uses," noting that some were already part of the "core functions of the schools," including equipment, travel, etc. The LAB also said a change in this area would need stakeholder involvement.
- **Redefine the supplanting prohibition.**
- **Determine the degree to which medical education and research funds should be competitively allowed.** The LAB pointed to the Dean's discretion, especially at the Medical College of Wisconsin, where only 26.4% of the Medical Education and Research grants were awarded competitively (2004-2008). For the University of Wisconsin School of Medicine and Public Health in that same time period, only **17.9%** of the Medical Education and Research grants were awarded competitively (2004-2008). That's approximately 64 grants non-competitively distributed out of a total of 78. While the LAB complimented many of the oversight functions written into other aspects of Partnership Program processes, they found the lack of oversight in the realm of non-competitively awarded grants to be curious. Here, too, the LAB requested changes be made with input from stakeholders.

September 16 in Milwaukee 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!

Attention HealthWatch

Wisconsin Members: The cost of this workshop is significantly reduced 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! 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

Register Today:

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.

Live or Work Outside the Greater Madison or Milwaukee Area?

You can have exclusive access to this workshop on-demand--delivered straight to your desktop. Check Future Editions of the Update Newsletter for information on how to register to receive the training via web cast.

Digging into Concern Areas: Read our Issue Papers!

After constant participation and

- **Determine the level of public health funding the schools may directly expend.** The original Commissioner of Insurance Order says that a percentage of funds should be distributed for public health and community public health organizations that is *appropriate* amount of funding, so community organizations have *reasonable* access. The LAB wanted both words "appropriate," and "reasonable access" defined to justify the existing 35% distribution, whereas 65% goes to medical education and research. As a caveat, the LAB noted that both medical schools spend about 1/3 of the 35% of public health and community health organization money in addition to the 65%. When they asked the medical schools about this additional distribution of funds, the response was "for synergy." In this policy area, LAB suggested stakeholder involvement to address concerns and define key definitions.

Following the LAB presentation, WUHF Board member Joseph S. Leean, a public member of the Board and former State Senator from Waupaca, made a striking comment: "I found things to be revealing, reading between the lines [of your report.]" Sen. Leean and other WUHF members will have an opportunity to express their concerns in writing in the very near future. (See below for details.)

Watch Our Video Reply!

ABC for Health filmed a [VIDEO REACTION](#) to the WUHF Board meeting. Watch as Bobby "reads between the lines" in this episode, reacting to the Medical Schools' defensive response to the Legislative Audit Bureau report.



Commissioner of Insurance Speaks to the WUHF Board

The State's Commissioner of Insurance, Sean Dilweg, kept his comments brief. He outlined five areas for comment. First, he said he is glad for the Medical Schools and WUHF "reaching out" and creating a process for comment. The policy considerations that LAB has listed are ones that "we're all wrestling with." Second, he's thinking about how the Conflict of Interest and processes surrounding granting decisions can be changed so the next audit in 5 years can be even better. Third, Commissioner Dilweg said he's in a process of "listening and receiving input from many interest areas." We're in a dynamic time both locally and nationally. Significant new money is coming to the State of Wisconsin. The difference between what is *authorized* and what is *appropriate* is "huge." Finally, the Commissioner said he will support the process and work with WUHF.

"Is This "Mission Accomplished?"

The Chairman of the WUHF Board, Mr. Ben Brancel, a public board member, asked a powerful question to the Commissioner. While this Commissioner is not the one who drafted or created to original Order, now, after this audit, "do you feel the Order has accomplished what it was intended to do, and fulfills what the current Commissioner of Insurance Office wants?" Commissioner Dilweg answered with mixed concern: "Should we open the order back up? I worry about opening the order before the Budget. My preference is to not go down that road." Commissioner stressed his fear that "opening the Order" to change it in any way may put the fund at risk of being spent on other things entirely. "This money (conversion funds) could have been spent ten times over; money like this in other states has been spent quickly." He concluded by saying it is important to be cognizant of what would be involved in changing "these things," presumably the LAB policy considerations, and suggested strongly that they all may be topics of future hearings. {Editor's note: In a future newsletter, we will share our interpretation of the impact of "opening and order" to change terms, compared to "clarifying and order" and correcting definitions, providing guidance to the WUHF Board, or other administrative tasks. The Commissioner's answer to Chairman Brancel's question implies that he is not entirely satisfied with the existing Order, yet is struggling with the appropriate remedy at this time.}

watch-dogging of the BCBS saga over the past several years, ABC for Health has made several observations and recommendations to the WUHF Board of Directors, as well as to the administrators of the two Medical Schools' endowments. Based on our substantial time and research, we have identified four major issues of concern that the WUHF Board must address. Do you want to dig into some particular issues of concern in a bit more detail? Read our Issue Papers Here:

- [Issue Paper #1: The 35% - 65% Split in Funding Distribution](#)
- [Issue Paper #2: Misdirection of Funds](#)
- [Issue Paper #3: Conflict of Interest and Non-Competitively Awarded Grants](#)
- [Issue Paper #4: Supplanting](#)

[Watch Our Video!](#)

Understanding the ins-and-outs of the conversion fund and its impact on the public health of Wisconsin can feel like "inside baseball." You don't have to be an expert in health policy to get involved! In fact, just reading these alerts and participating in conversations about how money is distributed in Wisconsin for public health is important. For an easy-to-understand summary of the WUHF meeting and what to expect, [Watch our Video!](#)

Recommendations:

- All medical school projects funded by conversion resources must show a direct benefit to the people of Wisconsin.
- A revised Commissioner of Insurance (OCI) Order should authorize the WUHF Board with new authority to award and distribute community public health grants
- OCI should create a new and enforceable order!
- OCI should require all grant seekers to conduct a

Response to the LAB Report by the Wisconsin Medical Schools

Medical College of Wisconsin Response

Both the Medical College of Wisconsin (MCW) and the University of Wisconsin School of Medicine and Public Health were given an opportunity to respond to the LAB report. MCW was represented by the Director of "Advancing a Healthier Wisconsin" and the MCW Consortium on Public Health, Inc. MCW was the first to present, giving a lengthy [PowerPoint presentation](#). The WUHF Board listened to a summary of the "framework of the MCW endowment," accomplishments, process improvements, response to the LAB "Key Policy Issues," including a "rationale for expending public health and community health funds," and a quick summary of "next steps," including "reviewing policy recommendations" and "enhancing communication and education within MCW and the public" about ongoing efforts to improve the AHW program and its processes.

"Is This Population Health?"

Sen. Leean made a statement following MCW's report. He said he wanted the two medical schools and the WUHF Board to think about something that they would get into more in the future: the difference between clinical and population health. When the first Order was being discussed, Sen. Leean said he didn't anticipate that money from this fund would be spent on cardiovascular research, cancer research, and research that generally did not focus on the population health. "This is not as I thought this money would be spent." While he acknowledged these are noble causes, and ones that need attention, he stressed, not from this fund. Sen. Leean continued, "A lot has been spent on faculty and expenses, where I thought it would be spent on population health. I want more discussion and emphasis on this in the future."

University of Wisconsin Response

Dr. Robert Golden, Dean of the UW School of Medicine and Public Health, flanked by members of the Wisconsin Partnership Program Oversight and Advisory Committee, presented the UW response to the LAB Report. With the assistance of a [PowerPoint presentation](#), the Dean referenced the Wisconsin Partnership Program as part of the "Wisconsin Idea," encouraging community to access the resources of the school [University of Wisconsin, generally]. He outlined "six years of achievements," including: tackling entrenched health challenges (with a concentration entirely on a pledge of \$10 million to improve birth outcomes in Wisconsin); improving medical and public health education (largely, the Wisconsin Public Health Fellows Program); breaking down walls in research; among others. The Dean then discussed "transformative successes," that is to say, how they have used the BCBS Conversion funds to **leverage** other money. The Dean then presented "alternate perspectives on the audit." Here is a sampling: "Success does not always meet our timeline;" "Discovery is not a deliverable;" and the Commissioner's Order is an "excellent framework for improving the health of the people of Wisconsin."

"Discovery Isn't a Deliverable"

Sen. Leean questioned the UW Dean after the conclusion of his remarks. He wondered why "discovery," in fact, was not a deliverable; why the Dean found it hard to quantify "discoveries" to the LAB. The Dean replied "it's more important to improve infant mortality then complete a fixed number of survey instruments and count the number of widgets produced. We should be judged by our impact made, instead of completing arbitrarily defined, informal metrics. The way science works is a dynamic process. Therefore, he suggests, counting "tangible outcomes" like the LAB did, is not as important, and therefore reflects why they as a granting agency, felt criticized.

"Show Me the Money...At Work"

Sen. Leean suggested that the people of Wisconsin would benefit from knowing the

reasonable investigation of other funding sources and opportunities.

- OCI must prohibit conflicts of interest and reform the grant decision making and grant review process.
- OCI must create an enforceable order that permits investigation and enforcement of violations of the Insurance Commissioner's order.
- OCI must create a blue ribbon commission to re-evaluate the current 35/65 distribution of funds between public health and medical education and research.

We're on Facebook and Twitter!

Look for ABC for Health and Health Watch Wisconsin on [Facebook](#), and become a follower of ABC for Health on [Twitter!](#)

A New Membership Year is Here!

It's time to renew your membership in HealthWatch Wisconsin! Whether you are joining for the first time or renewing your membership, you are teaming up with an impressive new 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 Here](#) to complete a membership application! **Your individual membership fee for 2010-2011 is \$30.** Your workplace can purchase an **organizational membership for \$120.**

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HealthWatch Wisconsin Update Staff

impact of the Partnership Program funds. Sen. Leean responded anecdotally to the medical colleges' reports. He said he asked around in his smaller, rural area if any physicians saw any evidence of the Partnership Programs in their practice. He said, this doesn't mean people are not benefiting from best practices or research, but if it is true, people are not identifying it as being translated from UW or MCW research into the community practice. "It may be helpful to show something learned or discovered in the Partnership Program, in research, is translated to the public." "Show me specific examples."

Standing Up for Public Health at the Hearing

ABC for Health, together with coalition partners Citizen Action of Wisconsin and Disability Rights Wisconsin submitted written testimony to the WUHF Board.

Members of the public health workforce from northeast Wisconsin and Milwaukee are also known to have submitted comments. As Bobby Peterson, Public Interest Attorney of ABC for Health approached the microphone at the July 15 meeting to address WUHF Board and medical school representatives, he did so on behalf of the people of Wisconsin.



CITIZEN ACTION OF WISCONSIN

Peterson began by briefly introducing ABC for Health, Citizen Action of Wisconsin, and Disability Rights Wisconsin, and referencing the history of this Blue Cross, Blue Shield Conversion saga. The fund has increased substantially since this process began, growing from \$250 million to well over \$600 million today. "Over the years, we've raised concerns about conflicts of interest, supplanting, self dealing, and misdirection of funds," said Peterson. "Today, the LAB report echoes our past concerns; today, the chickens have come home to roost!" Peterson and coalition partners have, and continue to ask the trustees of this fund to focus on the highest and best use of this money for the people of Wisconsin. Peterson emphasized the need to read between the lines of the report, congratulating the LAB for a thorough job. Peterson spoke strongly about the importance of oversight and enforcement of the Order of the Commissioner of Insurance. "Originally we were told the order would be self enforcing," scoffed Peterson. "We questioned the nature of a self-enforcing order. **It didn't work for Wall Street, Enron, Fanny May, and the subprime mortgage crowd...and it isn't working for our Medical Schools!**" Peterson spoke to the importance of having effective enforcement and oversight included in the conversations moving forward with WUHF Board members and this current Commissioner of Insurance, Sean Dilweg. Peterson said that this is not a place for the Medical Schools to congratulate themselves for doing a "good enough" job. **"We demand excellence."** He referenced the UW Medical School Dean's own response to the LAB report to elaborate: "I heard Dean Golden talk today about the Wisconsin Idea (the mission that education should influence and improve people's lives beyond the university classroom) but what we see here [in the Partnership Program] is not what I learned about the Wisconsin Idea as a [law] student at the University of Wisconsin. We see the Medical Schools keeping 65% of a fund for themselves, designating 35% to the community, and then clawing back one-third of the 35%? The emphasis needs to be on supporting funding in our communities." We must hold the Medical Schools accountable to the people of Wisconsin.

WUHF to Draft Questions to Both Medical Schools, Opportunity for Schools to Respond in Writing

Over the course of the next month, members of the WUHF Board will draft written questions to both medical schools, to continue the conversation started at this meeting. 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 next WUHF Board meeting.

[Bobby Peterson](#)

[Brynnne McBride](#)

[Adam VanSpankeren](#)

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.



(608)261-6939
info@safetyweb.org

If you know someone who might be interested, please [Forward this Newsletter >>](#)

Email Your Comments!

Weigh in on what the WUHF Board should be asking the two medical schools! [Email your suggestions](#) to HealthWatchWisconsin Staff and we'll pass it on!

Members of the WUHF Board:

[Click Here](#) for a more detailed biography of current WUHF Board members.

- President/Chairman: Mr. Ben L. Brancel (Public Member)
- Vice President: Timothy T. Flaherty, M.D., (Medical College of WI Representative)
- Joseph S. Leraan (Public Member)
- Ms. Katharine C. Lyall, (University of WI Medical School Representative)
- Mr. Tom Lyon (Public Member)
- Rev. Rolan L. Womack (Public Member)
- Mr. David Meissner (Public Member), (Retired from Public Policy Forum)
- Mr. John Daniels, (Medical College of WI Representative)
- Mr. James W. Nellen II, (University of WI Medical School Representative)

About WUHF:

- 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.

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