



HealthWatch Wisconsin

REPORTER

November 17, 2010

Analyzing & Reporting Complex Public Health 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." The HWW Reporter highlights 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 public health and health coverage questions.

Save the Date: HealthWatch Wisconsin Annual Conference

March 7 & 8 2011
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.

Special Report: Wisconsin Partnership Program Presents Annual Report to WUHF Board

You are receiving this Special Edition Newsletter as a benefit of being a subscriber to the HealthWatch Wisconsin Update Newsletter. Thank you!

UW School of Medicine Answers to WUHF

The Wisconsin United for Health Foundation (WUHF) Board met for a final meeting of 2010 on November 12 at Madison's Concourse Hotel. WUHF ostensibly met to review the 2009 Annual Report of the University of Wisconsin Medical's Schools Wisconsin Partnership Program (WPP). Nonetheless, the tone of the meeting reflected the recent scrutiny generated by Legislative Audit Bureau (LAB) Report on the use of the Blue Cross Blue Shield (BCBS) conversion funds. Recall that the LAB spent a year digging into the policy, procedure and practice of the 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 over \$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*.

Exhibiting a continued oversight function over the use of the conversion funds, the [WUHF Board presented a series of written questions to UW representatives](#). On November 12, members of the WUHF Board asked clarifying questions. Initial questions were on the 2009 Annual Report, but these additional questions included inquiries about the LAB report started at the July 15 WUHF meeting. Board members identified continued areas of concern and urged consideration on many topics related to the LAB Report, especially the policy considerations/recommendations. They include:

- Amend conflict of interest policies.
- Clarify "allowable uses" of medical education and research funds.
- Redefine the supplanting prohibition.
- Determine the degree to which medical education and research funds should be competitively awarded.
- Determine the level of public health funding the schools may directly expend.

Wisconsin Partnership Program Presents 2009 Annual Report

"2009 was a year of rededication and rejuvenation," began Dean Robert Golden, Dean of the University of Wisconsin School of Medicine and Public Health. The program created new guidelines to insulate the endowment from the volatility of the financial markets. A year of increased efforts on the topic of infant mortality. A year where the distinction between community public health money and medical



Continuing education credits will be offered for attorneys, social workers and other professionals. Further details will be released as confirmed.

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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.

education and research funding was murky, at best. After the Dean finished a brief [PowerPoint presentation](#) highlighting the annual report, the conversation was wide-ranging. However, a couple themes emerged:

1. Leveraging Conversion Funds

Dean Golden emphasized the "remarkable return on investment" the BCBS conversion funds have earned for the UW medical school in his opening remarks. He explained that some projects supported by conversion funds have gone on to win other grants, often from national funding sources including the National Institutes of Health. Golden congratulated the Wisconsin Partnership Program (WPP) for spending funds on projects that in turn generated more funds for the school. In 2009, 41 grants concluded. The Medical Education and Research (MERC) funded 25 projects while the Oversight and Advisory (OAC) committee funded the remaining 16 projects. Golden also emphasized that there were "synergies between OAC and MERC initiatives this year." The Dean didn't miss an opportunity to stress that awards given out by MERC focused on community engagement and the health of the public. We'll discuss this in more detail below.

2. The Semi-Permeable 35/65 Membrane

In its 2009 Annual Report, the WPP stated that the OAC had reviewed and decided to preserve the 65/35 split between medical education and research (65 percent) and public health initiatives (35 percent). Golden stressed that the split was hardly relevant, given that the OAC and MERC share goals and that the two groups can work together "synergistically." Golden said that more projects funded by both OAC and MERC grants increasingly involve education, research and community engagement. Golden argued that the distinction between the two groups should be blurred. Joe Leean, public member of the WUHF Board, former Senator and former Secretary of the Department of Health and Family Services under Governor Tommy Thompson, responded that there is a perception out there that a grant to a medical education program does not look the same as a grant to a community group serving the needs of the health of the public. "If it looks like, quacks like a community service organization rather than a program at the medical school," then it's important that there is a distinction in funding. "We need to have something clear that there is an emphasis in public health grants." The danger in merging the OAC and MERC, Leean argued, is the public perception that the public health is not being served.

While Dean Golden clarified that his intent was not to argue against the current split in funding, he said, "If it's not broken, it doesn't make sense to fix it. We think the split is working. The thing to do is to form partnerships and bring the OAC and MERC together...to achieve synergies." He then apologized for being too modest and not letting the public be well-informed enough of "what we're doing." Sen. Leean responded, succinctly, "Let's not get so merged that we can't see the difference...and don't lose sight of the fact that all \$300 million [of WPP's share of the BCBS funds] is supposed to be spent on the public health of the people of Wisconsin."

3. The "S" Word [Supplanting]

Chairman of the WUHF Board, Ben Brancel, referenced one of the written questions the Board had exchanged with the Medical School in advance, seeking to clarify the funding awarded by OAC for the development of the State Health Plan, Healthiest Wisconsin 2020. The Board asked if the OAC's \$66,873 planning expenditure replaced similar funds from the Department of Health Services. Brancel cautioned Golden and other representatives of the UW Medical School: "As a school, don't over-rationalize why you should or shouldn't do things. If an activity was done in the past and it is structured in a way that additional funds will be used to do that same thing, then the 'S' word creeps into my head. We can rationalize how money used to be spent to do something. I would caution the School NOT to do that,

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especially with individual projects." The Dean failed to respond to Brancel's warning.

Post Script: Our Thoughts

"I'm not surprised by the exchanges at this meeting," said Bobby Peterson, public interest attorney and Executive Director of ABC for Health. "The WUHF Board and the Commissioner of Insurance are the oversight authorities over the Medical Schools. Unfortunately, the WUHF Board lacks the clear ability to enforce policy change. Thus WUHF must resort to 'cautioning' the School to be careful. The Schools know that the original Commissioners Order lacks enforcement authority, and they take full advantage of that loophole. The UW fixated on leveraging funds but, we ask, to what purpose? "Members of the WUHF Board failed to press the Dean on the issue of leveraging funds. While attracting more funding is no doubt good for the school, where is the measurable "return" on investment for the people of Wisconsin? Rather than simply tout leveraged funding, a more relevant measure of success might be clear improvements in the state's health and access to available healthcare. While the medical school provides evidence of successful leveraging, we would like to see more evidence that the conversion funds are working to improve health and access to health care in Wisconsin. The exchange between former Senator Leean and the Dean on leveraging as well as the 35/65 split in funding suggests a critical difference in understanding between what is good for the university and what is good for the people of Wisconsin. In the Dean Golden's mind, they are one in the same. Senator Leean isn't so sure. Of course, in his self serving world, Dean Golden feels the process to determine the appropriate split in funds between the UW and the public health community is not broken. Others, including the independent Legislative Audit Bureau beg to differ. As health advocates, we have argued in the past that the needs of the school are absolutely distinct from the needs of the Wisconsin public.

The issues raised at this meeting follow closely the concerns of the Legislative Audit Bureau Report. We will continue to watch how the School corrects or clarifies its policies on granting, leveraging funds or supplanting funds and report on it in future editions of the HealthWatch Reporter.

[CLICK HERE](#) to read the WPP 2009 Annual Report.

[CLICK HERE](#) to read HealthWatch Wisconsin's response to the Annual Report, submitted to the WUHF Board

[CLICK HERE](#) to read the Legislative Audit Bureau Report from May 2010.

Related Coverage

HealthWatch Wisconsin hasn't been the only group interested in the WUHF Board's handling of the Blue Cross Blue Shield Conversion Funds. In previous editions of the HealthWatch Wisconsin Reporter and HealthWatch Update newsletters, we shined a light on some of the media attention the issue has been getting, including in journalist Kurt Chandler's *Milwaukee Magazine* article, "[The Public Be Damned](#)," and his follow up story, "[Mounting Pressure on Med Schools](#)," which appeared in the *Milwaukee News Buzz*.

The issue has also been looked at by the *Milwaukee Journal Sentinel*. Rick Romell wrote an article, "[Fees UW Foundation Collects Criticized](#)," that took a closer look at the expenses charged to the endowments of each of the two Schools and the breach of trust from the Schools to the people of Wisconsin.

Tomorrow, Thursday, November 18, Kurt Chandler will be discussing the WUHF Board and Blue Cross Blue Shield Conversion Funds on Milwaukee Public Radio, WUWM (Lake Effect) on 89.7 FM at 10:00am (see their website [here](#)). If you don't live in Milwaukee, you can listen to the program online at <http://www.wuwm.com/listen/index.php>.

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. Llean (Public Member)
- Ms. Katharine C. Lyall (University of WI Medical School Representative)
- Mr. Tom Lyon (Public Member)
- Rev. Rolen 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)

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