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Health Care Coverage – March 25 (2008 Issue # 4)  
Wisconsin Budget Project – WCCF  
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Please feel free to forward messages to any other interested parties, and encourage others to sign up for this and/or other WCCF mailing lists at <http://capwiz.com/wccf/mlm/signup/>. In this issue:

NOTE: The full Senate voted 18-14 this afternoon to pass the Senate Finance Committee's proposal for addressing the state deficit. **For more information about the deficit and the competing plans to fill the budget hole, see this new WCCF webpage:** [http://www.wccf.org/budget\\_resources\\_deficit2007-09.php](http://www.wccf.org/budget_resources_deficit2007-09.php)

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## 1. SESSION ENDS; BUDGET REPAIR DEBATE CONTINUES

The regular 2007-08 legislative session came to a close on March 13, and any bills that had not been approved in both houses by that point died and will have to be reintroduced in the 2009-10 session. (The next issue of this newsletter will summarize the action on the major health care bills.)

Although the regular session has ended, the Legislature will continue to meet in a special session that was called by the Governor to address the state's large budget deficit. The Assembly passed its version of the budget repair bill on March 12, and the Senate passed an alternative amendment today (3/25).

One of the central areas of disagreement is the Governor's plan for an assessment on hospitals. Most of the revenue raised would be used to increase the Medicaid reimbursement rate for hospitals, thereby leveraging federal matching funds, but \$125 million would be used to help fill the deficit hole. The assessment is discussed in item #2.

Some of the other elements of the Governor's plan include the transfer of an additional \$243 million from the state's Transportation Fund (which is offset by increased bonding and an increase in federal highway funds); taking \$30 million from the endowment fund that was generated by the tobacco bond refinancing, and cutting the rainy day fund by \$21.7 million.

The Assembly Republicans' plan cuts \$361 million in state spending (and prevents the cuts from being made in transportation or in general school aids), delays a \$125 million school aid payment, and cuts \$100 million from the state's two reserve funds.

The Senate Democrats' proposal includes the Governor's hospital assessment plan (saving \$125 million), taking the remaining \$36 million from the endowment fund generated by the tobacco bond refinancing, delaying a \$125 million school aid payment (as passed by the Assembly), closing corporate tax loopholes to raise \$130 million and reduce corporate income tax rates; cutting \$40 million in state spending, and taking \$65 million from the two reserve funds.

Negotiations to try to reach a compromise are expected to start soon after the Senate passes its version of the bill. Resolving the differences of opinion could be as difficult as passing the biennial budget proved to be, but delay is more problematic because the passage of time limits the amount of money that can be saved by cuts or can be generated from new revenue sources.

For more information on the budget repair proposals and other options for balancing the budget, see the new webpage recently launched by WCCF, which pulls together a number of resources relating to the budget deficit. One of the WCCF documents that is (or will soon be) accessible there is a comparative summary of the three plans developed the Governor, Assembly and Senate.

[http://www.wccf.org/budget\\_resources\\_deficit2007-09.php](http://www.wccf.org/budget_resources_deficit2007-09.php)

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## 2. BUSINESS GROUPS SUPPORT HOSPITAL ASSESSMENT; ASSEMBLY REMAINS OPPOSED

The Governor's proposal for a 0.7% assessment on hospital revenue is likely to be a pivotal issue in resolving the debate about how to close the state's budget deficit. Though a comparable proposal was defeated in the biennial budget bill because of Republican opposition, its chances seem somewhat better this time around because of much broader outside support.

The assessment now has the strong backing of the WI Hospital Association, the Wisconsin Manufacturers and Commerce (WMC) Association, and many other business and health care groups. A new coalition - called StopTheShift.org - was formed to back the proposal, primarily for the purpose of increasing Medicaid reimbursement rates for hospitals and precluding the shift of hospital losses

As a March 15 article in the Journal Sentinel reported: "The Wisconsin Hospital Association has estimated that hospitals are paid on average less than half of what it costs them to treat a patient. The state doesn't dispute that figure. The shortfall gets shifted - hence the new coalition's name - to commercial health plans. This means that employers, employees and people who buy individual insurance must make up the difference - which explains why businesses care about the issue."

<http://www.jsonline.com/story/index.aspx?id=728474>

You can find the coalition's website at:

<http://stoptheshift.org/>

A March 24 article in the La Crosse Tribune reports that Assembly Speaker Mike Huebsch continues to voice his opposition to the hospital assessment and to any tax increase or delay in tax cuts. The Speaker said that reaching an agreement on the deficit needn't drag out - unless the Governor or Senate Democrats hold out for a tax increase of any type: "If that's their bottom line, this is going to take quite some time."

<http://www.lacrossetribune.com/articles/2008/03/24/news/00lead.txt>

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**3. DINGELL INTRODUCES BILL TO DELAY FEDERAL RULES THAT SHIFT COSTS TO THE STATES**

Michigan Congressman John Dingell, chair of the House Energy and Commerce Committee, recently introduced legislation that would delay for a year 7 new Medicaid regulations proposed by the Bush administration. The controversial rules would prohibit states from using federal Medicaid funds to help pay for physician training, place new limits on Medicaid payments to hospitals and nursing homes operated by state and local government, and limit coverage of rehabilitation services for people with disabilities, including those with mental illnesses.

One of the rules particularly harmful for Wisconsin, restricting Medicaid funding for targeted case management, took effect in early March. The effects on WI are summarized in item #4.

According to Dingell, "The restrictions the administration is imposing on Medicaid are harmful and will undoubtedly put the health of thousands of our most vulnerable children at unnecessary, indefensible risk." Dennis Smith, director of the Center for Medicaid and State Operations at CMS, said the Bush Administration does not plan to delay the regulations because of congressional concerns.

(Source: Kaiser Daily Health Policy Report, 3/17).

[http://www.kaisernetwork.org/daily\\_reports/rep\\_index.cfm?DR\\_ID=50985](http://www.kaisernetwork.org/daily_reports/rep_index.cfm?DR_ID=50985)

A report released by Democrats on the House Oversight and Government Reform Committee, based on a survey of state Medicaid officials, estimates the rules would reduce payments to states by nearly \$50 billion over five years -- more than three times

the DHSS estimates.

[http://www.kaisernetwork.org/daily\\_reports/rep\\_index.cfm?hint=3&DR\\_ID=50745](http://www.kaisernetwork.org/daily_reports/rep_index.cfm?hint=3&DR_ID=50745)

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#### 4. A CLOSER LOOK AT FED. CASE MANAGEMENT RESTRICTIONS

Effective on March 3, 2008, the federal Dept. of Health and Human Services (DHSS) implemented a rule restricting the ability of the states to use Medicaid funds for targeted case management services. The following are excerpts of a letter from the WI Dept. of Health and Family Services (DHFS) describing effects of the rule in our state:

-- It terminates Medicaid claiming for CM services for foster children, which will reduce federal support for child welfare services by \$15 million per year.

-- "These revenues, which are claimed for needs assessment, case planning, service monitoring, care coordination, and other activities for children statewide, are a crucial part of the infrastructure for child welfare services, ensuring children gain access to needed services."

-- "Over \$4 million of these revenues are used to support the child protective services system in Milwaukee County, helping to fund child abuse investigations and services to enable children to remain safely with their families or to be reunified with their families once an out of home placement has occurred."

-- It "will likely endanger some portion of the \$77.6 million claimed annually for case management under the state's Family Care program for the elderly and people with disabilities, other home and community based waiver programs, the Birth to 3 program, and programs serving people with mental illness and other populations."

A paper by the Center on Budget and Policy Priorities, update on March 4, summarizes the effects of the case management restrictions and the 6 other DHSS rules.

<http://www.cbpp.org/2-13-08health.htm>

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#### 5. COVER THE UNINSURED WEEK: APRIL 27- MAY 3

Get Ready for Cover the Uninsured Week 2008, April 27-May 3 !

There are many ways for you and your community to get involved in Cover the Uninsured Week 2008:

Host an enrollment event at a hospital, community center or school♣

Organize a health coverage forum with community, business and faith leaders♣

Plan a seminar for small business owners♣

Distribute information about available low-cost and free health coverage programs to uninsured individuals and families♣

For more information on ways to get involved, go to:

<http://covertheuninsured.org/>

The 8 Ministry Health Care hospitals are planning a series of events that week to help people sign up for BadgerCare Plus. For more on that see this article in the Mar. 23 Wausau Daily Herald, or see Ministry's press release at the 2nd URL:

<http://www.wausaudailyherald.com/apps/pbcs.dll/article?AID=/20080323/WDH0101/803230586/1981>

Ministry Health Care press release r Cover the Uninsured Week activities:

<http://www.thewheelerreport.com/releases/Mar08/mar6/0306ministryhealth.pdf>

## 6. HELP US COMBAT CHILD POVERTY IN WISCONSIN

The Vision 2020 Campaign (<http://www.2020wi.org/>) is off to a great start, since its launch late last summer. Already, more than 500 people have signed the Vision 2020 Pledge Card committing themselves to be part of this exciting initiative aimed at raising awareness about child poverty in Wisconsin and building support for policy solutions that will help end poverty in our state. Nearly 60 organizations have become organizational members of the Vision 2020 Coalition.

The Campaign has produced a dynamic, thought-provoking twenty-minute video that explains the campaign, highlights anti-poverty success stories, and encourages people to get involved. Already, this video has been shown to hundreds of residents throughout the state and is being hailed by national organizations as a model tool for reminding people that poverty is not insurmountable and that change is possible.

Here's how your organization or community can connect to the Vision 2020 Campaign:

- **Tell just two of your friends, neighbors, or co-workers about the campaign** and encourage them to join you in signing the pledge card at [http://www.2020wi.org/pledge\\_card.html](http://www.2020wi.org/pledge_card.html) . All pledge card signers get a free "End Child Poverty" bumper sticker. Take a simple step to help raise awareness about poverty in your community by displaying this bumper sticker on your vehicle and encouraging others to do the same.
- **Urge your elected representatives to sign the pledge card** - Call your city council, county board or legislative representative (or all of them!), describe Vision 2020 and urge them to join you in supporting the campaign.
- **Spread the word about the campaign:** Forward this note to your local partners and listserves, encouraging other individuals and organizations to join you in taking the Vision 2020 pledge to end poverty and to become part of the campaign.
- **Host an event in your community or with your organization** about the Vision 2020 Campaign: Our Vision 2020 Video is the perfect thing to show at a community or organizational event to explain what the Vision 2020 Campaign is all about and to spark discussion about what can be done about poverty both locally and statewide. We also can

bring the most recent poverty data about your county to these presentations. We will partner with you to plan such an event and we can come to facilitate a discussion about poverty and solutions, to help move your organization or community forward as part of the Vision 2020 Campaign.

• **Sponsor Advocacy Training for your organization or community:** WCCF offers low-cost advocacy training for organizations or community groups interested in learning how to hone their advocacy skills on issues that impact low-income kids and families. We can tailor the training to your group's needs to make sure that as your group gears up to combat poverty locally and statewide, you have the skills and know-how you need to be highly effective & successful advocates.

Contact Vicky Selkove at (608) 284-0580, ext. 326 or [vselkove@wccf.org](mailto:vselkove@wccf.org) to set up an event in your community or to obtain copies of any of the Vision 2020 materials including the Vision 2020 Report Card, the Vision 2020 video which can be purchased for your own use (<https://payments.auctionpay.com/ver3/?id=w043835>), bumper stickers, pledge cards, and local data.

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## 7. SAVE THE DATE - INFANT & EARLY CHILDHOOD MENTAL HEALTH CONFERENCE

Save the Date!

Wisconsin Alliance for Infant Mental Health  
First Annual Wisconsin Infant and Early Childhood Mental Health Conference  
Early Relationships Matter: Building Networks

June 19-20, 2008

June 18th Preconference sessions

See their website <http://www.wiaimh.org/conference.htm> for further details

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## 8. OTHER HEALTH CARE ISSUES IN THE NEWS

-- "Using carrot or stick, the state must act" - March 16, Journal Sentinel editorial - "It's often said that as Milwaukee goes, so goes the state. That's why Wisconsin must take a more active role in helping Milwaukee deal with its teen pregnancy problem."

<http://www.jsonline.com/story/index.aspx?id=728356>

-- "Health facility fees ambush patients; Unannounced, unpredictable charges complicate billing, burden consumers" - March 16, Journal Sentinel

<http://www.jsonline.com/story/index.aspx?id=728615>

-- "Law removes barriers to patient data sharing in Wisconsin" - March 17, WTN News  
- "Governor Jim Doyle signed into law Senate Bill 487 to make it easier for healthcare providers to share patient data, particularly in the case of patients with mental illnesses.

The law relaxes privacy restrictions in chapter 51 of the Wisconsin statutes that apply to information shared without written consent from a patient or their legal representative."  
<http://wistechnology.com/articles/4618/>

-- "An offset to drug industry's sales pitch" - March 16, Journal Sentinel - "While pharmaceutical sales representatives inform doctors about drugs, physicians and patients would benefit from an objective source of drug information from outside the industry, says U.S. Sen. Herb Kohl."  
<http://www.jsonline.com/story/index.aspx?id=727719>

-- "Business-Health Coalition Focuses on Effectiveness of Chronic Care" - March 19, CQ HealthBeat News - "At a summit on Wednesday highlighting innovative programs for chronically ill patients, a mix of labor unions and health care providers said health care change cannot be addressed without reshaping the current approach to chronic care. Hosted by the Partnership for Quality Care, the event is the first of a year-long series focusing on the effectiveness of care. The coalition, which comprises labor organizations like the Service Employees International Union (SEIU) and major health care providers, launched last May to focus the national health care debate on quality care issues. The coalition advocates for universal health care coverage and argues that the quality of health care-which includes access, affordability, efficiency, and cost containment-must be a central component to any universal health care debate."  
<http://www.cqpolitics.com/wmspage.cfm?parm1=5&docID=hbnews-000002690816>

-- "State's HMO enrollment slide slowing down, report says" - March 21, The Business Journal of Milwaukee - "After declining steadily over five years, enrollment in health maintenance organizations dropped only slightly over the past 18 months, an analysis of the Wisconsin health care market has found."  
[http://milwaukee.bizjournals.com/milwaukee/stories/2008/03/24/story6.html?f=et162&b=1206331200^1608823&ana=e\\_vert](http://milwaukee.bizjournals.com/milwaukee/stories/2008/03/24/story6.html?f=et162&b=1206331200^1608823&ana=e_vert)

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## 9. READING ROOM

-- "The U.S. Economy and Changes in Health Insurance Coverage, 2000-2006 - In a Health Affairs article, John Holahan and Allison Cook examine trends in health insurance coverage among the nonelderly U.S. population between 2000 and 2006. They report that in the first four years of the decade, a period of economic recession, the number of uninsured persons increased by 6.0 million. Then, despite improving economic conditions, the uninsured increased again by another 3.4 million between 2004 and 2006.  
<http://content.healthaffairs.org/cgi/content/abstract/27/2/w135>

-- "Do Individual Mandates Matter?" - In an Urban Institute Policy brief, Linda Blumberg and John Holahan discuss the issue of the individual mandate, which has been a major sticking point in the Democratic presidential primary. The authors argue that an individual mandate is important if the goal is to reach universal coverage. They cite a number of studies showing that voluntary approaches would leave about 15.5 million

uninsured. While that level of uninsurance is considerably better than under current policy, a voluntary approach is not the same as universal coverage. Blumberg and Holahan also argue that there is likely to be adverse selection in a voluntary arrangement that would increase total costs, and that in the absence of universal coverage it would be difficult to reallocate funds currently supporting the safety net to help finance coverage. They conclude that an individual mandate must be affordable and must have enforcement provisions that are effective and fair.

<http://www.urban.org/publications/411603.html>

-- "New Report on the Under-Detection of Developmental Delays in Early Childhood" - Dr. Laura Sices provides insight into the considerable under-detection of developmental delays in early childhood for the Commonwealth Fund's new publication, Developmental Screening in Primary Care: The Effectiveness of Current Practice and Recommendations for Improvement. Findings show that there is an occurrence of delay in least 10% of children, but only 2.3% of children under age 3 are receiving early intervention services. Some recommendations include further research, resources and education for physicians and residents in using developmental screening tools.

[http://www.commonwealthfund.org/publications/publications\\_show.htm?doc\\_id=605625&#doc605625](http://www.commonwealthfund.org/publications/publications_show.htm?doc_id=605625&#doc605625)

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