



Review & Commentary on Health Policy Issues for a Rural Perspective – October, 2008

## It's Our Country, Whether We Like It or Not

by Tim Size, Executive Director, Rural Wisconsin Health Cooperative, Sauk City

Americans on both the political left and right have finally found something to agree about. And in my opinion, they both have it wrong. Both sides now tend to say "this" country instead of "our" country. This matters because words represent ideas and ideas lead to or away from useful action.

You'd expect a visitor from overseas to say "this country" when they visit America. I'd expect an economist to compare this country to that country. But for those of us who live here, and aren't writing a research paper, I believe we have a responsibility to think and say "our country." Not as in "my country, love it or leave it," but as in the sense that all of us here are part of America, its flaws and its unique blessings alike, whether we like it or not.

Who would take me seriously if I came home and said "this" family or "this" house needs to do such and such. It would be a clear message that I was taking the right to complain but none of the responsibility for either the problem or for its solution.

I believe Peter Beinart is 100% on target in his essay, "Patriot Games" (*Time*, 7/7/08), when he says that love of country requires both affirmation and criticism. "Patriotism should be proud but not blind. Critical but loving."

### RWHC Eye On Health



We need more roll-up-the-sleeves patriots and fewer partisan zealots and whiners. The currently fashionable verbal tick of saying "this country" allows a speaker to pretend to be a thoughtful observer or expert who is some how more believable by not being quite so personally involved. If we don't understand that we are personally involved, we are part of the problem.

If you intend to change a country you need widespread support. That is easier to do when we recognize that "winner take all" arm wrestling is a lousy way to address major issues. For example, if we are serious about improving our country's

health and what we pay for it, we need to find more common ground with each other. Significant long-standing change usually requires more than a slim margin of majority support, whether in Washington D.C., our State legislatures or our local communities.

Health and healthcare reform is a minefield of competing values and biases. Most Americans support the need for reform but only if it is done their way. Progress has been slowed because the second best option for most of us is to do nothing. Some of us feel that

**Rural Wisconsin Health Cooperative**, begun in 1979, has as its **Mission** that rural Wisconsin communities will be the healthiest in America. Our **Vision** is that... RWHC is a strong and innovative cooperative of diversified rural hospitals... it is the “rural advocate of choice” for its Members... it develops and manages a variety of products and services... it assists Members to offer high quality, cost effective healthcare... assists Members to partner with others to make their communities healthier... generates additional revenue by services to non-Members... actively uses strategic alliances in pursuit of its Vision.

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Cartoonist Walt Kelly’s most famous cartoon (not the one above) was done for Earth Day in the early 1970s. Pogo, speaking about trash strewn in his beloved Okefenokee Swamp, says “we have met the enemy and he is us.” I think he had it right.

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## With Prevention, Your Insurance Plan Matters

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From “A Message from the President of the National Business Group on Health,” by Helen Darling with rollout of *A Purchaser’s Guide to Clinical Preventive Services: Moving Science into Coverage*, 3/07:

“The National Business Group on Health is pleased to announce the publication of *A Purchaser’s Guide to Clinical Preventive Services: Moving Science into Coverage*, an important resource on preventive services. Developed in collaboration with the Centers for Disease Control and Prevention (CDC), the *Purchaser’s Guide* translates clinical guidelines and medical evidence into lay terms, providing large employers with the information they need to select, define, and implement preventive medical benefits.” The guide and related materials is available at:

<http://www.businessgrouphealth.org/>

**“The *Purchaser’s Guide*, built upon sound evidence, presents the National Business Group on Health’s recommendations for preventive service benefits and provides tools employers can use to evaluate and expand their current preventive service offerings.”**

“The *Purchaser’s Guide* arrives at a time when the prevention of disease, injury, and disability is more important than ever. While the United States has the world’s highest annual healthcare costs, it ranks far below most other industrialized nations on measures of population health. Research has shown that nearly half the care Americans receive is not aligned with either evidence-based medicine or clinical guidelines.”

“Employers understand the need to prevent illness and disability if they are to have a healthy, productive, and engaged workforce. Each year, millions of Americans die of preventable illnesses and injuries that were

individuals need to have some responsibility for their behaviors; while others see this as “blaming the victim” of cigarette, alcohol and food industry advertisements. High deductible health insurance makes for more responsible consumers or is this just a way for employers to shift costs to employees? Advocates for clinical “best practices” continue at odds with those against “cook book” medicine and care plans.

There is no one “right” answer to any of the above and related conflicts. Sustainable solutions require common ground to be found in both public and private arenas. We will get there more quickly if we understand that while many of us have strong beliefs, we are all intimately part of one country. America is a country that benefits from the energy of much diversity, including the diversity of political beliefs.

The challenge of helping our country achieve the health it deserves requires a higher level of cooperation than any of us have yet experienced. This is true in Washington; this is true in our communities. The Institute of Medicine is our country’s highest medical authority.

In their report, *Quality Through Collaboration: the Future of Rural Health*, they make a very critical point: “Strong leadership will be needed to achieve significant improvements in health and health care in our communities. Comprehensive community-based efforts will require extensive collaboration, both between stakeholders within the health care sector, and between health care and other sectors.”

caused by modifiable health behaviors. Researchers estimate that 75% of all healthcare costs stem from *preventable* chronic conditions such as type 2 diabetes and hypertension. Many of the leading causes of short- and long-term disability such as kidney disease, some types of cancer, and complications of pregnancy are also preventable. Preventable health problems result in substantial indirect costs for employers including lost productivity, absenteeism, and turnover. For some conditions, like alcohol misuse, which costs American businesses \$134 billion each year, indirect costs outpace direct treatment costs.”

“Disease prevention and early detection hold the promise of improving our nation’s health and reducing healthcare costs. Clinical preventive services help people avoid disease by reducing their health risks. Clinical preventive services can catch disease in its early stages when interventions are more effective and less expensive. Historically, preventive services have been poorly defined in employer-sponsored medical benefit plans and coverage for preventive services has been less robust than that for acute care services. Differential coverage and a lack of emphasis on prevention have resulted in the underutilization of many important clinical preventive services such as tobacco use treatment and colorectal cancer screening.”

“Increasing our investment in high-impact and cost-effective clinical preventive services will turn the promise of improved health and reduced cost into a reality. All purchasers, public and private, need to devote more attention to prevention in order to curb the caseload and costs of chronic conditions. **In the current resource-constrained environment purchasers should cover and promote the most beneficial preventive services.**”

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## What Return on Investments for Wellness?

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From the “ROI Calculator, A New Tool to Help You Calculate Your Wellness Return on Investment” by Troy Adams in the *Absolute Advantage, the Work Place Wellness Magazine*, 4/08:

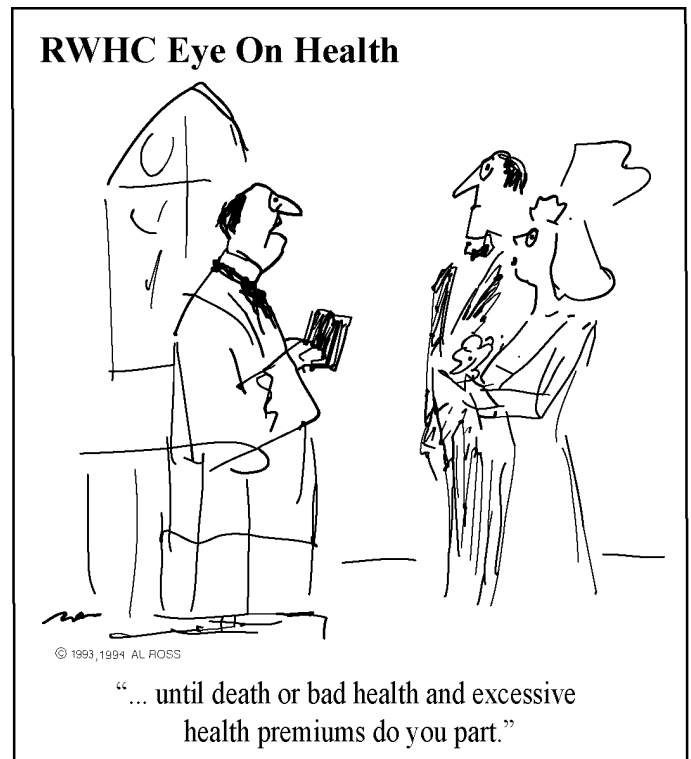
“There are some forecasting tools on the market that require a team of actuaries and accountants to use,

while others require most of your employee population to complete a lengthy, expensive Health Risk Appraisal. At WellSteps, we have created several research-based forecasting tools that we call Return on Investment Calculators. These calculators forecast how employee wellness programs can impact future health care costs, absenteeism, and productivity.”

“The ROI calculator for health care costs can help you determine whether an investment in a wellness program makes sense for your company. Just go to <http://www.wellsteps.com> and click on the Tools link at the bottom of the page. There you’ll find the ROI calculator and several other tools. All of our tools are free.”

“Yes, you read correctly...free. Why would we spend months researching, designing, and programming an ROI calculator only to give it away for free? We’re tired of seeing punch spilled on the carpet! Based on past experience and the published research, we’re confident that well planned wellness programs can lower health care expenditures.”

“We would love to help your employees change the behaviors that lead to chronic diseases and high health care costs. In fact, that is our basic business model at WellSteps. But if WellSteps doesn’t interest your company right now, that’s fine. The ROI calcu-



lator and all of our other tools are free because we really want to help change public health in America on a large scale. We believe that helping companies recognize the value of wellness programs is part of our larger goal of improving the health of people on a national scale. We invite you to give the WellSteps ROI Calculator a try.”

“After you have used it, feel free to share it with your colleagues. Before you use it though, you should know what this tool is not. First, it is not a crystal ball. There is really no way to predict the future except to forecast from the past. Successful companies will do their best to be prepared for what the future holds.”

“Second, the ROI calculator may not apply to every company in every situation. The truth is that not all companies are created equal. We have done our best to consider a variety of possible differences between companies as we constructed the calculator. What it will do is produce conservatively accurate forecasts given the data you enter.”

“So here is how it works. Go to <http://www.wellsteps.com> and click on Tools toward the bottom of the page. Then, click on ‘ROI Calculator.’ You will need just three pieces of information: 1) your company’s total health care costs over the past 12 months, 2) the total number of benefited employees, and 3) the percentage change in health care costs each year for the past 5 years. It would be good, but not necessary, if you knew the percentage of your employee population who were smokers and who were obese.”

“To project the cost savings of reducing cigarette smoking or obesity, we assumed, unless you knew these figures, that the rates of smoking and obesity in your company were roughly the same as the national averages (22% and 33% respectively).”

“We know this tool will be useful. In many ways, it justifies our existence by giving our wellness efforts a visible, financial presence. It helps wellness move from a fun, employee perk, to a core business strategy, which is something every successful company should consider if they are to stay competitive. In a way, this calculator can help bridge the gap between your efforts to help employees live a better and healthier life, and the broader, every present, bottom line.”

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## We Already Pay for Most Uninsured “Care”

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From a press release: “Covering the 16 Percent Of Americans Who Are Uninsured Would Increase Health Spending by 5 Percent,” *Health Affairs*, 8/28/08. The complete article is available at:

<http://content.healthaffairs.org/>

“Americans who lack health insurance for any part of 2008 will spend \$30 billion out of pocket for health services and receive \$56 billion in uncompensated care while uninsured. Government programs pay for about three-quarters, or roughly \$43 billion, of the uncompensated care bill, researchers report in a *Health Affairs* Web Exclusive. The researchers define *uncompensated care* as care received but not paid for fully by the uninsured or by a health insurer.”

“Although covering the uninsured will undoubtedly cost the federal government more, some of the costs could be offset by redirecting the nearly \$43 billion that governments currently spend to subsidize the uninsured’s uncompensated care, say researchers Jack Hadley of George Mason University and John Holahan, Teresa Coughlin, and Dawn Miller of the Urban Institute.”

“This spending includes roughly \$18 billion in special payments to hospitals by Medicare and Medicaid; \$15 billion in tax appropriations and indigent care programs by state and local governments; and almost \$10 billion in spending by the Veterans Health Administration, the Indian Health Service, community health centers, and similar direct care programs. However, the authors note that redistributing these dollars is unlikely unless universal coverage is achieved.”

“From society’s perspective, covering the uninsured is still a good investment. Failure to act in the near term will only make it more expensive to cover the uninsured in the future, while adding to the amount of lost productivity from not insuring all Americans,” said Hadley, a professor and senior health services researcher at George Mason University and the study’s lead author.”



“Compared to people who have full-year private health care coverage, people who are uninsured for a full year receive less than half as much care as the insured but pay a larger share out of pocket, the authors report. Someone who is uninsured all year pays 35 percent (\$583) out of pocket toward their average annual medical costs of \$1,686 per person. In contrast, annual medical costs of the privately insured average \$3,915, with \$681, or 17 percent, paid out of pocket.”

“ ‘The uninsured receive a lot less care than the insured, and they pay a greater percentage of it out of pocket. Contrary to popular myth, they are not all free riders,’ Hadley said.”

“If all of the people who will be uninsured for all or part of 2008 were to gain health coverage, their access to medical care would improve considerably, and they would seek and receive more care, according to the researchers. The researchers estimated that the uninsured would increase their medical spending, putting them nearly on par with the privately insured. Total medical spending for the uninsured would increase by \$122.6 billion -- an amount equal to about 5 percent of current national health spending.”

“The researchers emphasize that the increased spending represents the cost of the additional medical care the uninsured would receive, rather than either the cost of a specific reform proposal or the cost to the government. The increase in spending on the unin-

sured is larger than earlier estimates from 2001 because of the growth in the number of uninsured people, a very high rate of medical care cost inflation, and changes in the characteristics of the uninsured. In 2008, more of the uninsured lacked coverage for a full year and were older adults in fair or poor health than was the case in 2001.”

“To estimate the uninsured’s current medical care use and financing, the researchers examined adjusted data from more than 102,000 people in the 2002-2004 Medical Expenditure Panel Surveys (MEPS). Separately, they examined information from health care provider surveys and budget and program data from Medicare, Medicaid, and other government programs that serve the uninsured. The authors also included spending and coverage estimates for those who are insured for part of the year.”

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## Rural Health Leadership—Past & Future

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The following is from the *Report on the Future of Rural Health & 20 Year Retrospective, the National Advisory Committee on Rural Health and Human Services’ 2008 Report to the Secretary*. It was released in late August by the Federal Health Resources and Services Administration with the Office of Rural Health Policy.

***Institutions vs. Collaboration—an 18 Minute Talk by Clay Shirky*** “ ‘In this prescient 2005 talk for TED, Clay Shirky shows how closed groups and companies will give way to looser networks where small contributors have big roles and fluid cooperation replaces rigid planning.’ Clay Shirky’s consulting focuses on the rising usefulness of decentralized technologies such as peer-to-peer, wireless networks, social software and open-source development. New technologies are enabling new kinds of cooperative structures to flourish as a way of getting things done in business, science, the arts and elsewhere, as an alternative to centralized and institutional structures, which he sees as self-limiting. In his writings and speeches he has argued that ‘a group is its own worst enemy.’ His clients have included Nokia, the Library of Congress and the BBC.” Click here for the video:

[http://www.ted.com/index.php/talks/clay\\_shirky\\_on\\_institutions\\_versus\\_collaboration.html](http://www.ted.com/index.php/talks/clay_shirky_on_institutions_versus_collaboration.html)

**What Else Can You Find at TED?** “It started out (in 1984) as a conference bringing together people from those three worlds—Technology, Entertainment and Design. Since then its scope has become ever broader. The annual conference now brings together the world’s most fascinating thinkers and doers, who are challenged to give the talk of their lives (in 18 minutes). This site makes the best talks and performances from TED available to the public, for free. More than 200 talks from our archive are now available, with more added each week. These videos are released under a Creative Commons license, so they can be freely shared and reposted.” TED’s home page is at: <http://www.ted.com/>

“The Committee is a citizens’ panel of nationally recognized rural health and human services experts. The Committee, chaired by former South Carolina Governor David Beasley, was chartered in 1987 to advise the Secretary of the U.S. Department of Health and Human Services on ways to address health problems in rural America. In 2002, a 21-member limit was set and the Committee’s

mandate was expanded to include rural human services issues.”

“The Report honors the 20th anniversary of the National Advisory Committee on Rural Health and Human Services. The report includes a 20-year retrospective consideration of rural health and human services, highlights key issues for rural health care delivery, human services, and community development, and makes recommendations to the Secretary.”

“The Committee’s private and public-sector members reflect wide-ranging, firsthand experience with rural issues—including medicine, nursing, administration, finance, law, research, business, public health, aging, welfare, and human services. Members include rural health professionals as well as representatives of State government, provider associations, and other rural interest groups.”

“Each year, the Committee highlights key health and human services issues affecting rural communities. Background documents are prepared for the Committee by both staff and contractors to help inform members on the issues. The Committee then produces a report with recommendations on those issues for the Secretary by the end of

## RWHC Eye On Health



“Yea, this is great, but we can’t rest on our laurels; they wilt.”

the year. The Committee also sends letters to the Secretary after each meeting. The letters serve as a vehicle for the Committee to raise other issues with the Secretary apart from the report process.”

“The Committee meets three times a year. The first meeting is held in early winter in Washington, D.C. The Committee then meets twice in the field, in June and September. The Washington meeting usually coincides

with the opening of a Congressional session and serves as a starting point for setting the Committee’s agenda for the coming year. The field visits include

### Strong Rural Health = Advocacy = Strong NRHA = You Are A Member

From NRHA “Rural isn’t just someplace out there. It’s you. It’s that place you cherish and work so hard to keep healthy. What else can you do to protect it? Well, support the National Rural Health Association and let us support you! NRHA members come from all walks of life—white collar and blue collar; professionals and enthusiasts; young and old; statesmen and craftsmen. All, however, share a common voice, that all Americans are entitled to access to quality health. . . regardless of their address.”

Applications are available today at <http://www.ruralhealthweb.org/>

#### What Type of Membership Is Best for You?

##### For Me: Individual

“Individual membership is structured for the individual who is passionate, curious, and active in the many facets of rural health care. Individuals receive all the NRHA membership benefits and special member pricing for all NRHA conferences and educational events.”

##### For My Employer: Organizational

“Organizational membership is designed to support hospitals, rural and community health centers, health systems, and organizations that need to stay current with rural health matters. Dues are based on a sliding scale to best suit the size of an organization and include two individual NRHA memberships for the member’s staff. This membership provides staff and organizations a voice and resource.”

##### For My Business Doing Business: Supporting

“Supporting membership is for individuals and organizations with the strongest rural health care commitment. Membership at this level provides the ultimate employee benefit, rural health resources, and networking opportunities. Ten employees will enjoy all the benefits of NRHA individual membership and the significant savings by being able to attend two NRHA conferences or education events for half price.”

rural site visits and presentations by the host community, with some time devoted to ongoing work on the yearly topics.”

“The Committee is staffed by the Office of Rural Health Policy, located within the Health Resources and Services Administration of the U.S. Department of Health and Human Services. Additional staff support is provided by the Administration on Aging, the Administration on Children and Families, and the Secretary’s Office of Intergovernmental Affairs.”

“There have been a number of key legislative and regulatory changes affecting health and human services delivery in rural America since 1987. The past 20 years have been a time of significant change in national health policy, with rural health issues playing a key role in corrections to major initiatives, and more recently by influencing significant policy changes.”

“While cost containment has often dominated policy debates and decision-making, there have been significant strides in policies affecting access to and quality of health care services. In addition, there have been several major initiatives affecting human services since 1987, the most significant being the transformation of the Federal welfare benefits from providing standard benefits to a system that focuses on helping unemployed individuals make the transition to work.”

Overall, this is an excellent resource to review and keep, although some readers may want a harder hitting critique of the Federal government’s use of managed care plans for Medicare beneficiaries, the so called “Medicare Advantage” program. The report is at:

<http://ruralcommittee.hrsa.gov/nacpubs.asp>

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## Calvin Beale Helped Nation See Rural Reality

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From the Obituary “Calvin L. Beale, Demographer With a Feel for Rural America Dies at 85” by Felicity Barringer in *The New York Times*, 9/3/08:

“Calvin L. Beale, a government demographer who was among the first to recognize the transformation of America’s rural landscape from farms to a mixture

of farms, industry and vacation homes, died on Monday in Washington. He was 85.”

“Mr. Beale had worked at the federal Agriculture Department for more than half a century, becoming a senior demographer there.”

“An unpretentious man in a profession not noted for its glamour, Mr. Beale—his highest academic degree was a master’s in sociology from the University of Wisconsin—still developed a cult following among his peers. They marveled not just at his mastery of the theoretical tools, but also his first-hand feel for rural America.”

“He traveled to 2,500 counties (of 3,140) around the country and knew everything from the most common surnames in a given place to the kind of leaves carved above the courthouse steps. Kenneth M. Johnson, a professor of sociology at the University of New Hampshire, called Mr. Beale ‘the Michael Jordan of rural research.’ ”

“Mr. Beale’s greatest single professional contribution, Professor Johnson said, was figuring out in the 1960s that decades of decline in rural population were being reversed in some areas. Mr. Beale saw that hydroelectric dams in the Ozarks created reservoirs that in turn drew vacationers, some of whom stayed; he noticed industries like textiles, meatpacking and chemicals moving into areas that had been entirely agricultural.”

“When confronted with Mr. Beale’s reports of a population rebound, Professor Johnson said: ‘People didn’t believe it. It was so contrary to 150 years of American history.’ When the first of the new data came out from the 1970 census, Mr. Beale was vindicated.”

“Mr. Cromartie, a geographer with the department’s resource and rural economics division, said Mr. Beale’s development of population theories came from his travels as much as from any computer model. Most demographers, Mr. Cromartie said, ‘start with the theories and test them.’ But, he added, Mr. Beale’s on-the-ground knowledge of the overlooked byways of the country allowed him to ‘start from the bottom and show everyone the big picture from that perspective.’ ”

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## Support for Diabetic Patients Beyond Medical

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*Monthly, Eye On Health showcases a RWHC member story from the Wisconsin Hospital Associations' annual Community Benefits Report. Wisconsin hospitals provide over \$1.6 billion in community benefits; twice that if you include Medicare shortfalls and bad debt. This month's feature is about Spooner Health System's Diabetes Support Group:*

"Laura and Gloria have been friends and neighbors for many years. One of the activities they enjoy together is the Diabetes Support Group at Spooner Health System. The friends have been attending the Diabetes Support Group for over 2 years."

"Diabetes Support Group meets once a month and is free to the community. Claudia Hagen, Spooner Health System Education Coordinator, presents information and organizes speakers for the group. Gloria credits the Diabetes Support Group with helping her to manage her diabetes through diet. She feels that with-

out the group she would have become insulin dependant sooner."



**RURAL HEALTH CAREERS  
WISCONSIN**

"The friends recall when Claudia Hagen arranged for a presentation on diabetic comfort shoes. After the presentation, attendees could order specially fitted shoes. Laura and Gloria also take advantage of the Free Foot Care Clinic offered by Spooner Health System's Home Health Department. The clinic is offered every week by appointment."

"From nutrition information to foot care, Spooner Health System provides services that are important to diabetics. The friends say, 'even with the price of gas, we make it a priority to attend the Diabetes Support Group and the Foot Care Clinic.'"

**NRHA Rural Health Clinic Conference October 14-15 and Critical Access Hospital Conference October 15-17 in beautiful Savannah, Ga. Register at <http://www.ruralhealthweb.org/>**

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