Rural Wisconsin
Health Cooperative

Eye On Health

Review & Commentary on Health Policy Issues for a Rural Perspective – December 1st, 2006

Newly Muscular Middle to Define Agenda?

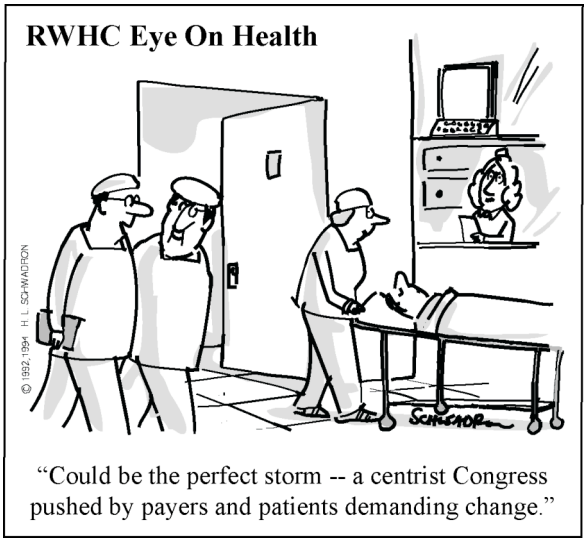
by Tim Size, RWHC Executive Director

The Republican's mid-term "Democratic tsunami" may be the perfect storm for those Americans who are neither Republican or Democrat. David Broder, a syndicated columnist for *The Washington Post*, wrote an article in late September entitled "Independence Days" that now seems prophetic. He described the revolt of several Republican senators against President Bush (on his position regarding the treatment of terrorist detainees) as signaling "the emergence of an independent force in elections and government."

Conventional wisdom has been that our country was frozen into unproductive "bomb throwing" between these two parties due to congressional districts rigged to give an advantage to "far right" and "far left" candidates. Being labeled as moderate was comparable to being seen as a wimp in middle school. We may be beginning to see those in the middle as not those too weak to have an opinion but as those strong enough to speak out against simplistic solutions from either political extreme based on a firm conviction that the vision of either party's "base" should not control the other three-quarters of the country.

Broder went on to say that "the revolt goes well beyond three men. What it really signals is a new movement in this country—what you could rightly call the independence party. Its unifying theme can be found in the Declaration of Independence's language when Jefferson invoked 'a decent respect to the opinions of mankind.' A congressional election with lots of new faces and a scare for many returning veterans is important as a signal to next year's likely leaders such as Republican Sen. Mitch McConnell and Democratic Rep. Nancy Pelosi that they can't design their strategies simply to satisfy the most rabid of their party's extremes; they have to govern down the center and work across party lines."

Exit polls of mid-term voters seem to bear out Broder's scenario of the center rising according to the Pew Research Center. "The political center forcefully asserted itself in Tuesday's midterms. In an election that proved to be a referendum on Bush and Iraq, political independents cast the deciding votes. The national exit poll showed that political independents, who divided their votes evenly between George Bush and John Kerry in 2004, swung decisively in favor of the Democrats. With roughly nine-in-ten Republicans and Democrats casting ballots for representatives of their parties, just as they did two years ago, the Democrats' 57%-39% advantage among independents proved crucial." (Source: http://pewresearch.org/) Perhaps a realignment of politics to include a muscular middle is wishful thinking, but I hope not.



"Could be the perfect storm -- a centrist Congress pushed by payers and patients demanding change."

If we are entering a new era, what might this mean for rural health? At its core, I believe it means that politicians have the opportunity to become longer term pragmatic and less shorter term in each others' faces—less often "you are either for me or against me" on either moral values or political positions. They will be more amenable to negotiate proposals that can be acceptable beyond the extremes of either party and in fact acceptable to most Americans.

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As regards to Medicare: 1) Democratic leadership has already stated their intention that government become more proactive regarding prescription drug coverage and use its purchasing clout to negotiate better prices from the multinational pharmaceutical suppliers. 2) But we will not see a dismantling of market incentives beginning to be implemented in 2006 with Medicare Advantage, the use of private health insurance companies to deliver the Medicare benefit. 3) We will see more support for beneficiaries in the complex process of choosing amongst competing health plans as well as how they are treated by these plans after enrollment. 4) We will see greater transparency regarding Medicare's relationship with the mega-national health insurance companies. 5) We will see greater sensitivity to managing the potential negative aspects of the mega-national insurers entering rural communities.

The **Rural Wisconsin Health Cooperative** (RWHC) was begun in 1979 as a catalyst for regional collaboration, an aggressive and creative force on behalf of rural health and communities. RWHC promotes the preservation and furthers the development of a coordinated system of health care, which provides both quality and efficient care in settings that best meet the needs of rural residents in a manner consistent with their community values.

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Health care reform was widely expected to be a major issue in 2007 before the election, now given the results, it is even more likely. I believe the Principles* recently adopted by the Wisconsin Hospital Association Board of Directors are a good indication of the positions we can expect to be taken by centrist leaning members from both parties in the new Congress and state legislatures.

They state that "Wisconsin's health care system must provide affordable coverage for everyone's basic health care needs and directly address the reality that current trends in health care costs and insurance premiums are not sustainable and are contributing to access and coverage challenges." While the way to accomplish this goal will be the subject of much debate, the following list of shared responsibilities by all stakeholders from WHA should resonate well with the muscular middle:

"Hospitals and physicians must deliver health care that is guided by the best clinical evidence or expert consensus and be willing to share best practices with their peers. They must be accountable for their costs and quality by embracing initiatives designed to measure, publicly report and improve performance."

"Government must play a role in guaranteeing access to health care services for our most vulnerable populations, fully recognize the special costs of educating the healthcare workforce, promote transparency and adequately pay for health care services provided to patients covered by its programs."

"Individuals must share directly in the financial responsibility for covering the costs of their health care needs and engaging in behaviors that maximize their health care status. In addition, individuals must be prudent buyers of health care services, availing themselves of available information to purchase health care based on demonstrated quality and efficiency."

"Employers should offer a basic health care benefit to their employees. They should provide financial incentives for their employees to select the highest quality, lowest cost providers in their region and par-

ticipate in programs and behaviors that support wellness and prevention."

"Payers should provide meaningful incentives for providers to coordinate the delivery of health care services, especially to patients with chronic diseases and design plans that provide incentives for prevention services and promote healthy lifestyles."

Rural health policy is not just "public policy" jockied by elected officials and legions of lobbyists. It also includes "private policy," what we in rural health, in our professions, in our "industry" take to be acceptable or desirable behavior. The muscular middle outside of politics will also make demands upon us to be both more transparent regarding cost and quality and more engaged with our communities to reduce the need for that care. How we respond is an open question.

* "WHA Access, Coverage and Cost Principles" is available on line at <**http://www.wha.org**>.

Effective Advocates Dream With Open Eyes

The following commentary was specially written for *Eye on Health* by Thomas E. Hoyer, Jr, Federal Center for Medicare and Medicaid Services, retired.

"O would some power the giftie gie us
to see ourselves as others see us."

From "To a Louse" by Robert Burns,
Scottish national poet (1759 - 1796)

I like being able to use Robert Burns to kick off this article because he was a rural guy who, though remembered as a poet, started out a farmer. Before I retired from the Center for Medicare & Medicaid Services, I spent several years as the agency's representative for rural matters and, in that capacity, got to know RWHC Executive Director Tim Size. During that period, he asked me to contribute to this newsletter but the constraints of being a government employee kept me from doing it then.

I really enjoyed working on rural issues. The people I met were almost unfailingly smart, interesting and committed. Most were pretty realistic, too, although many of them shared a characteristic of other advocacy groups: they didn't have a very clear picture of how their advocacy stood in relation to the rest of the world. A small number made the further mistake (also common among fierce advocates) of believing that people who disagreed with them simply failed to care about rural interests.

I remember a period of half a dozen years when I was working on new nursing home standards for Medicare and found myself mercilessly besieged by patient advocates who never seemed to be satisfied by what we did. Imagine my surprise when, at my retirement, they had a party to thank me and others at Medicare for our work. I realized in a flash that though an advocate's job is to advocate relentlessly, an advocate does need to "understand" the limits of what can be done, and I was surprised that these patient advocates did understand that. They just had not shared that insight with me. Well, that's too much information.

What I want to do in this article is to put rural interests into a broader perspective because although advocates need to be focused and firm, they also need to see the world as it is so they can measure their challenges and accomplishments accurately.

Rural advocates start out with lots of good associations as old as the Republic—what someone more cavalier than I might call that whole Jeffersonian agrarian democracy thing. To a city boy, there is something noble about the family farm; about working the land, growing crops and eating them; drinking milk from one's own cow and eating bacon from one's own pig. Literature is full of works that suggest that rural life is pure and simple and urban life is dirty, degenerate, and exploitative. It is a short step from these positive historical and literary associations to the view that rural areas are the repository of American values; that there is something good and noble about rural life that the government must preserve if our country is not to lose its character. There are corollary associations that are made about life in small, rural towns where one can imagine people living and working in

a happier world of the past. It is at this point that advocacy crosses into the zone of unreality.

Listening to these arguments is a bit like spending a few hours in Philadelphia, in the building where most of Norman Rockwell's well-known paintings are displayed. You can see the family sitting down at Thanksgiving; the young man in his leather jacket speaking up at the town meeting. You can see the old family doctor getting ready to administer a shot to a timid child. You realize soon enough, especially in a whole gallery of these images, that they are archaic. These images were passing from the American scene at the time they were painted. Today that turkey will likely come from Wal-Mart (or even Sam's Club) and heaven only knows where the child will get the vaccination. In a fundamental sense, rural America has gone from sustaining the country to looking to the country for help in sustaining itself.

Our agrarian heritage is a very valuable part of who we are as a nation. Farming sustained generations of Americans. So is our industrial heritage, which created jobs that raised the standard of living for generations of other Americans. Today family farms are disappearing, the industrial heart of America is called "The Rust Belt," and jobs are being created in the service sector and young dreamers are writing computer code. Are the needs of a community where family farms and local businesses are disappearing inherently greater than the needs of a community whose steel mill has closed, leaving its members jobless and its businesses in ruins? Most of us are wistful for something, something rural, something industrial, something . . . well, a variety of somethings, that's my point. Almost every group has an interest in getting Federal subsidies that will make it more viable, be they supports for crops, for the growing of bees, for the steel industry or for textiles.

In addition to competition, there's complexity. If you look at the small, rural hospital you see not simply the need for a source of hospital care but, rather, a need for an economic anchor for town business (a source of jobs and revenue for other town businesses), a need for a symbol of viability that might help attract new residents and business—in short, a bundle of needs. Often such hospitals don't make medical sense if viewed in the context of medical excellence or economic sense if viewed in terms of cost effectiveness of care. However, small rural hospitals make sense in the context of the community's life. Yet the case for their existence and for the payments that sustain them must be made to Medicare, a national health insurance program for the elderly and to State Medicaid programs—huge programs with deep (if increasingly empty) pockets whose statutory purposes are narrow and do not include the vitality of small towns. It's not that the arguments are without merit, it's just that they are complex and a challenge to press in the face of other competing claims, many equally complex but linked closer to the statutory purposes of Medicare and Medicaid.

Let's consider what it is that the government does. What it does is to collect money from various groups of people and pay it out to other groups of people. Citizens mostly agree on things like national defense and infrastructure and postal service but after that there's always been wide disagreement on how much to collect and who to give it to. The Congress, with its House of Representatives and its Senate, spends all of its time (at least all of the time it doesn't spend getting re-elected) deciding how to allocate that money. Each year it does this through a budget process designed to ensure that taxes and spending pretty much equal out. First it figures out how much money

RWHC Approved Vendor of CAHPS Hospital Surveys

The CAHPS Hospital Survey, a program of the U.S. Agency for Healthcare Research and Quality (AHRQ), is designed to collect patient satisfaction information from hospital inpatients. RWHC is an approved vendor for this program. CMS has established methodologies that are expected to produce a 40% response rate to the survey requests. All vendors are required to follow these methodologies.

CMS requires hospitals, planning to submit their data to CMS to participate in a dry run of the program. The next dry run is scheduled for March 2007. The data collected during this dry run will not be publicly reported. Facilities are welcomed to join the RWHC program at any time to take advantage of benchmarking with similar size facilities and monitoring trends for your own facility.

We have been diligent in developing a straight forward and financially efficient program for smaller, rural hospitals. We also have an outpatient survey available, unrelated to the CAHPS Hospital Survey. If you would like more information about either of these survey tools, please contact Mary Jon Hauge at 800-225-2531 or email at <mjhauge@rwhc.com>.

will be needed just to keep the current system (Medicare, Social Security, Education, Justice, Defense, etc.) going. Then Congress figures out how much money will be coming in as taxes. If there's anything left over, they fall to deciding how to spend it (or cut taxes). If there's a deficit—and there has been one during the vast majority of the past 45 years—Congress tries to figure out how to raise taxes, reduce current costs, and borrow money. There are always far more demands for spending than there are dollars available, so the budget process is a competition in which existing programs fight to stay funded and perhaps to grow. New calls for funding contend for relatively few discretionary dollars.

RWHC Eye On Health

"Tell me again how this works for people to re-elect me."

The budget process is not a secret process (except for quietly-inserted last minute "earmarks"). Senators and representatives get strong requests from within their states for subsidies ranging from hospitals to buildings and roads to that famous Alaskan bridge to nowhere. Also, the people who want the subsidies often come in person to lobby (often in connection with an annual meeting in Washington, D.C.) and also send their hired representatives to talk to Congress. Even if you were to concede that all the requests had some kind of merit, you'd have to admit that some cases are more compelling than others and so there's the problem of sorting them out by merit. Leaving merit aside, there's also the matter of influence. Committee Chairmanships and assignments are frequently by seniority and the desires of members of key committees (in the House of Representatives, the Committee on Ways and Means and, in the Senate, the Committee on Finance) and their chairmen tend to get priority. Individual legislators negotiate with their peers, trading support of one thing for support of another, that is members of the party in power negotiate and trade for enough votes to enact a few of their preferences. These legislators do so bearing in mind who their constituents are and also who has been making donations to their campaigns. Not surprisingly, major industries, like the drug industry, try to support most campaigns in the hopes that almost everyone will feel indebted to them.

RWHC Rural Health Essay Competition
15th Annual $1,000 Prize - April 15 Deadline

The Hermes Monato, Jr. Prize of $1,000 is awarded annually for the best rural health paper. It is open to all students of the University of Wisconsin. Previous award winners, judging criteria and submission information are available at <**www.rwhc.com/Awards/MonatoPrize.aspx**>.

In this process, rural interests go head to head with rust belt states and cities needing economic relief, industries needing price supports, states and cities needing help with roads and buildings and health care. Who needs help? You can be sure that there are plenty of disadvantaged adults and children; lots of financially troubled institutions; and lots of economic issues in the cities. You can be sure that huge corporations and other interest groups are able to outspend you greatly when it comes to the task of getting the attention of members of congress. You can be sure, too, that such events as the current conflicts in Afghanistan and Iraq will be generating immediate demands for support that will tempt the Congress to delay funding for causes such as yours. It's not that you don't have a case; it's that you must recognize that lots of the other pleaders have cases too, and in the eyes of congressmen, many of them as good or even, in some cases, better than yours.

In the midst of this process it is hard to claim that one's interests are most important or most unique. The most effective pleaders are ones who establish that their claims have substance and can show that the interests of many legislators are affected by their issues. And, of course, it helps to have senior legislators sympathetic to the case serving in key committee assignments and chairmanships.

I worked for more than thirty years in the Medicare program and saw the complexion of Congress change repeatedly. Rural interests have been well-served by Ways and Means Committee Chairman Bill Thomas

and by Finance Committee Chairman Grassley. Programs such as Medicare have been modified in a number of ways to ease the economic burdens on rural areas. This is all to the good for the people reading this article. These results have not occurred because your interests are the strongest or have the most merit (even though they might). They've come because you've worked long and hard, have established and support good representation, and because power in Congress has shifted to give more power to members sympathetic to your interests.

The key thing to remember is that you cannot achieve success on the basis of your need or merit; if you have success, it flows from what made America great in the first place: hard work, vigorous representation, and much more than a bit of good luck.

Airlines Not Best Role Model for Healthcare

From "Like Clockwork: Hour of Delay, Hour of Flight, Delta Shuttle From N.Y. to D.C. Arrived Late Every Time in September" by Del Quentin Wilber in *The Washington Post*, 11/13/06:

"Few things are certain in air travel today, but one comes close: If you're on Delta Connection Flight 5283 from New York to Washington, you can expect to be late. The flight had the nation's worst on-time performance in September, arriving late 100 percent of the time at Reagan National Airport, according to a recent government report. Its average delay: 1 hour and 19 minutes. Actual flying time: 53 minutes. Much of the delay is spent on the tarmac, waiting for other planes to take off at John F. Kennedy International Airport."

"Airline industry experts said the Delta Connection flight is an extreme example of the worsening delays infuriating air travelers these days. Through the first nine months of the year, 24 percent of flights were delayed or canceled, part of a steady increase since the comparable period in 2003, when 17.5 percent of flights were late or scratched, according to the Bureau of Transportation Statistics."

"Many factors can delay a flight, particularly bad weather. But aviation consultants … blamed delays on the airlines trying to eke out profits by slashing jobs and reducing pay for mechanics and baggage handlers, who play crucial roles in getting planes out on time. Airlines also appear to be scheduling more flights during busy periods to better target business travelers who pay higher fares, which leads to gridlock on the runways and in the sky, industry experts said."

" 'We are experiencing some real operational problems in the industry,' said Darryl Jenkins, an airline consultant. 'The truth is you have a lot of problems.' "

"For passengers, knowing which flights are often late can be difficult because the airlines generally don't publish such information. That can lead to frustration and confusion. Passengers on the nation's poorest-

performing flight said they would have found another way to Washington if they had known this Delta Connection flight was always late recently."

"Susan Cypra, a 37-year-old consultant, was on Washington-bound Delta Connection Flight 5283 on Tuesday. At first, she said, the flight seemed like a good deal: It left at a convenient time and cost less than comparable trips out of New York's other airport."

"But as she sat on the cramped commuter jet … Cypra began to reconsider her decision to fly the country's least punctual flight. She quickly did the math in her head: The cost and time of a cab ride to the airport, and then time lost in security, waiting at the gate, lingering on the taxiway and finally getting into the air. She arrived in Washington at 8:22 p.m., 50 minutes after the scheduled arrival, according to the airport monitors."

" 'I'm not going to take this plane again,' Cypra concluded. "I'm going to take the train.' "

Building a High Performance Culture

From "Building a High Performance Culture" by Chris Musselwhite at <**www.inc.com**>:

"Being a great manager is about more than earning a profit. It's about empowerment, about forging a strong culture, and all those other buzzwords. We're all willing to agree to this—hypothetically. But when the chips are down, we start to see conflicts between those ideas and our drive to improve the bottom line. We feel compelled to make a choice between doing the 'right thing' and profit, and we inevitably pick profit. We dispense with the perks and free lunches, and start to browbeat employees into greater productivity. We respond to external threats by locking down and cutting back."

"However, research has shown that those 'extras' that we dispense with so quickly, albeit regretfully, are the very things that will lead directly to the specific results we need. Research has shown that organizational culture directly impacts the bottom line."

"This all sounds very warm and fuzzy, I know, but this is not a subtle correlation—it's a strong, undeniable one. It is real and it's nothing new. Good research shows that financially stronger companies—defined as those with an ROI of 30 percent or higher—are also strong in key, measurable aspects of corporate culture. On the other hand, financially weaker companies—those with an ROI of 9 percent or lower—score low on those same measurements of culture."

"A successful manufacturing business and its CEO were well known for creativity and innovation, but it wasn't achieving the financial results it wanted. Through an evaluation of its culture, the company found that employees didn't have a consistent sense of the mission of the organization. Many of the engineers were acting as autonomous engineers in accept-

ing projects whose completion would give them great personal and professional satisfaction, but little revenue for the company. After the company took steps to strengthen the employees' understanding of Mission and Consistency, engineers began turning away some business opportunities as being off-purpose. As a result, costs declined and the company reported a better return on assets than it had achieved before."

"What's your situation? Is your company growing or established? Does it compete on price or on innovation? Is your industry mature and stable, or new and evolving? With those questions in mind, answer this: What are the components of culture that you need to encourage in your organization to build a performance culture and how will you do it?"

RWHC Eye On Health

"If you didn't want me to know this was a circus, why did you let me run off to see the world?"

"Once you have these answers, really commit to their implementation. Any change that isn't permanent and pervasive won't do it. It's got to be real. It's got to become part of the air your employees breathe. Once they've accepted the change as a part of their daily lives, and they're confident that it will continue, then you'll start to see the improvements in performance—however you define it."

Dr. Chris Musselwhite, MA, MSIE, Ed.D., is the author of *Dangerous Opportunity: Making Change Work* and the CEO/founder of Discovery Learning, Inc.—a leadership development products and consulting company, to be reached via <**www.discoverylearning.com/**>.

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