

Public Health Council

STATE OF WISCONSIN

MINUTES OF THE MEETING OF JULY 24, 2007

DEPARTMENT OF HEALTH AND FAMILY SERVICES, 1 W. WILSON ST, ROOM 751, MADISON, WI 53701

Council Members Present: Ayaz Samadani (Chair) (by teleconference); Gary Gilmore (Vice-Chair) (by teleconference); Catherine Frey (Secretary) (by teleconference); Sandy Anderson; Jayne Bielecki (by teleconference); Douglas Nelson (by teleconference); and Julie Willems Van Dijk (by teleconference)

Council Members Absent: Bevan Baker, John Bartkowski, Christopher Fischer, Steven Kirkhorn, Terri Kramolis, Loren Leshan, Corazon Loteyro, June Munro, Thai Vue, JoAnn Weidmann, Jeanan Yasiri

Division of Public Health Staff: Sheri Johnson, Division Administrator; Patricia Guhleman; Kevin Wymore; Patti Herrick; and Susan Uttech

Guests: Kristine Freundlich and Andrew Forsaith, DHFS Office of Policy Initiatives and Budget; Matthew Stanford, Wisconsin Hospital Association; and Katie Plona, Office of the Secretary

Call to Order

Dr. Ayaz Samadani called the meeting to order at about 2:20 p.m.

Overall Purpose

This meeting was an informational special session to examine certain public health-oriented proposals in the 2007-09 biennial state budget. The proposals are: Women, Infants and Children program organizational changes; Medicaid program fiscal changes; and tobacco control grant changes. The meeting originated from discussions at the June 8 Council meeting. DHFS budget director Andrew Forsaith delivered an overview of the budget, focusing on the Governor's proposed Medicaid fiscal changes. He summarized the program expansions for BadgerCare Plus and Family Care. He said the total cost to continue the Medicaid program for the coming biennium was \$497 million. He said the purpose of the Health Care Quality Fund was to diversify the Medicaid funding stream.

WIC Issue

Following last meeting's "open forum" concerns expressed by the state WIC association president, the Council discussed the proposed WIC state administrative change to a new department. Past Wisconsin Public Health Association president Sue Kunferman made a case for keeping WIC located within DHFS. She said USDA, the federal funding source for WIC, prefers that WIC remain in the DHFS. She said WIC "is not broken" and effectively links clients with programs with a public health focus of health promotion, disease prevention and education. She quoted extensively from a United States Department of Agriculture letter to DHFS Secretary Hayden, in which USDA said it could not endorse switching WIC administration to a new Department. USDA is the federal source of funding for WIC. Other Council members wondered what effect the letter might have on the Doyle administration's plans for the change. DPH Administrator Sheri Johnson indicated the rationale for the change is that it would streamline WIC's nutritional services in a department with other social services.

As follow-up, the Council wanted to see the USDA letter to Secretary Hayden at the next meeting.

Medicaid Fiscal Issues

Forsyth led the DHFS description of the Governor's proposed changes. He also described four main fiscal changes to fund the "Health Care Quality Trust Fund" discussed in the previous PHC meeting. It is the Governor's attempt to diversify Medicaid's funding structure in the following ways:

1. An increased cigarette tax (endorsed by the PHC; \$506 million/2 years)
2. A new hospital assessment (\$417 million/2 years);
3. Added interest from refinancing bonds from the "tobacco master settlement." (\$100 million).
4. A one-time transfer of \$175 million from the Injured Patients and Families Compensation fund, from a total fund balance of about \$740 million.

(At the previous meeting, PHC member Sandy Anderson and the Wisconsin Hospital Association contended that the new tobacco tax revenue will go to replace \$873 million "pulled out of Medicaid to pay for other state spending." They contended that the new revenue should pay for health care programs.)

Doug Nelson said the administration's efforts to increase health insurance access through the BadgerCare Plus program are laudatory. Katie Plona, the DHFS legislative liaison, said the Governor's budget would achieve health insurance coverage for about 98 percent of Wisconsin residents. DHFS staff said the current coverage estimates without BadgerCare Plus were about 94-95 percent of the state's residents.

Legislative Liaison's Report

Katie Plona told the Council that the conference committee, formed to reconcile the Senate and Assembly version of the state budget, would meet for the first time on July 25. Of the four revenue streams described by Forsyth to boost Medicaid funding, Plona said that the cigarette tax increase has the most support in the Legislature. She said there is more controversy over the hospital tax. With the current political makeup of the Senate and the Assembly, Plona said it may be a couple of

more months before the biennial budget deliberations are concluded. She distributed a print copy of public health issues currently in the Legislature.

Tobacco Control Grant Programs

Susan Uttech, Director of the Bureau of Community Health Promotion in the DHFS Division of Public Health, detailed information about the state's tobacco control grants. For example, she cited estimates that each percentage point decline in the state's smoking rate would produce 42,000 fewer smokers. She also cited the need to get to the CDC's recommended minimum of \$30 million in tobacco control spending per year. In the current legislative session, the Senate would spend \$30 million per year for tobacco control programs. The Assembly budget version would spend \$2.5 million per year in the next biennium, less than the \$10 million in general purpose revenue spent per year now. She distributed three informational documents to the Council for their review.

Next Meeting: August 10, 2007

Because the Council lacked time to conclude its deliberations on the three issues on the special meeting agenda, the Council decided to return to these issues at its regular meeting on Aug. 10.

Adjournment

Dr. Samadani adjourned the meeting about 4 p.m.

Prepared by Kevin Wymore and Jane Conner
Bureau of Health Information and Policy

Catherine Frey, Secretary

Date