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State's healthy health plan gets noticed

By Paul Fandrud
State government reporter

Last October, state employees streamed to "health-care fairs" to learn how the state's grand health-insurance strategy would affect them.

This month, attendance at those fairs during the open-enrollment period has slowed to a trickle. State employees seem generally pleased with choices they made a year ago, says a state expert.

Now comes a different wave of curiosity.

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Focused on state

U.S. News & World Report magazine is inquiring about Wisconsin's success and many specialty health-care publications have focused on the state's experience.

And in November, the Fair administration faces the happy task of determining how the roughly \$15 million in two-year savings from the health strategy will be distributed.

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Prior to last year, the state financed nearly all comprehensive health-care coverage for employees, and hospitals and clinics were reimbursed as services were provided.

Last fall, the state compelled most hospitals and clinics to form Health Maintenance Organizations and then bid for state business.

HMO agreement

Under an HMO, a group of doctors agrees to a contract charging a specific amount per individual for a predetermined period, so doctors assume a major financial risk and have an incentive to reduce costs.

The state then offers employees several options, but pays the total premium only for the lowest cost ones, thus the employee has to shoulder a larger share if he or she chooses more expensive coverage.

Next year in Madison, for example, the old standard plan, which is still available and allows maximum freedom-of-choice for consumers, will cost an individual an extra \$9.35 more per month and a family an added \$19.32 compared with the least expensive HMO coverage.

The state's health-care program serves more than 60,000 active and retired state employees through 20 HMOs (five in Madison) and the standard plan, according to Thomas Korpady, director of health and disability benefits in the Department of Employee Trust Funds.

Including spouses and dependents the program covers 166,000 people.

Korpady said Wisconsin's experience has been noticed nationwide. "I don't think a week goes by in which we don't hear from another publication," he said. "We're viewed as an experiment."

Early complaints from consumers

mainly concerned an inability to get referrals to a doctor they wanted, Korpady said. HMOs obviously prefer to treat patients rather than pay an outside physician. But even that complaint, Korpady said, "seems to have paled out" in recent months.

Complaints from the HMOs themselves often focus on the type of advertising competitors use, said Korpady.

During the current open-enrollment period, the HMOs have waged a marketing war through newspaper, radio and television ads.

The strangest complaints, though, may come from some psychologists, podiatrists, dentists and other specialty providers who don't believe they get enough referrals from HMOs.

Korpady said the share of state employees participating in HMOs has jumped from 15 percent to more than 65 percent. He said it may reach 70 percent after the open-enrollment period closes a week from today, but added that most would be the result of HMOs being offered to state employees in outlying areas where none was before.

Korpady said there is evidence that doctors appear to better control costs with the added HMO financial incentive.

Heavy rains drench city, basements

More than 2 inches of rain Thursday drenched Madison and much of south central Wisconsin, causing scattered flooding problems but apparently no extensive damage.

In Madison, lightning caused an estimated \$3,000 damage to a West Side residence about 8:30 p.m.

Madison Fire Department dispatchers said the lightning caused several small fires at the home owned by Kenneth Porter at 613 Glen Highway. Porter put out the fires with a bucket of water.

Firefighters responded to about a half dozen storm-related calls, mostly for flooded basements and water problems.

Madison apparently received the highest amount of measured rain in the state Thursday, 2.16 inches, but much of southern Wisconsin received 2 or more inches of rain, according to the Weather Bureau.

Madison officially received 3.24 inches of rain this week.

Many city streets were clogged with water late Thursday night and police were monitoring the streets in case any become hazardous enough to be blocked with barricades.

A State Patrol dispatcher said the heavy rain contributed to a few minor accidents. Dane County Sheriff's Department deputies reported water on some county roads and a few minor accidents, including a semi-truck that slid off the road on Highway Q near Middleton.

Police in 15 surrounding counties reported there were no serious car accidents because of the weather.

Eagle Heights, a University of Wisconsin-Madison student housing unit, lost electrical power about midnight Thursday, possibly due to heavy rain, according to UW police.