



The Public Be Damned

A program that was supposed to fund public health programs has become a cash cow for the state's two medical schools. **by KURT CHANDLER**

For decades, Blue Cross Blue Shield was a rock that Americans depended on for health coverage. So the announcement in the 1990s that the "Blues" would be converting from a charity to a for-profit company was alarming. To soften the blow, though, the organization offered to make hefty contributions to public health.

In Wisconsin, for example, the Blue Cross Blue Shield affiliate pledged to spin off the value of its assets – which would turn out to be \$630 million. This was a windfall for public health that could potentially provide funds for immunizations, nutrition of impoverished children, flu epidemics and other community challenges.

Most states required the Blues to place converted assets into independent foundations, which would then award grants for public health. But things worked differently here, after the Medical College of Wisconsin in Wauwatosa and the University of Wisconsin-Madison's medical school heavily lobbied to oversee the funds. "We welcome this opportunity ... to advance the quality of health for the people of Wisconsin," then-MCW President T. Michael Bolger declared.

Wisconsin decided to split the money evenly between the two medical schools. Consumer groups challenged this, to no avail. No other state at the time – or since – proposed turning over the Blues' assets directly to medical schools.

And now, a decade later, there is abundant evidence that the two medical schools did more to help themselves than improve public health in Wisconsin.

Unlike in other states, where the entire fund was devoted to public health, Wisconsin's plan called for spending just 35 percent of the funds on this, while the lion's share, 65 percent, would fund education and research at the medical schools. This was contrary to the original mission of Blue Cross Blue Shield, critics charged, and a blatant money grab by the schools.

Last May, the nonpartisan Legislative Audit Bureau released an evaluation of the plan, as required by law. It reviewed 80 of the 396 projects funded from 2004 through 2008.

It found lots of problems. For starters, few of the public health projects produced measurable outcomes. Of MCW's 14 completed projects, only one achieved all of its objectives, while five achieved most goals. Of 12 UW-Madison projects completed, two achieved all the objectives, and five achieved most of them.

For example, one Medical College project was awarded \$449,700 to operate a drug-abuse hotline for teens. Coordinators planned for 2,000 calls to the phone bank in its first year. But in its first eight months, the hotline received just 15.

"I was a little stunned at how

little the schools show specific outcomes," says Bobby Peterson, executive director of ABC for Health, a public interest law firm in Madison, and a longtime critic of the grants program.

The audit also raised flags about how grants were decided. At MCW, 74 percent of the grant money for medical education and research was awarded through a noncompetitive process. At UW-Madison, the figure was 82 percent. The entire process seems rife with conflicts of interest and a preference for favored insiders.

Members of the committees awarding grants were not required to abstain from voting – or excuse themselves from deliberations – when they worked for or had financial interests in organizations that applied for funding. For instance, funding for the teen drug abuse hotline that had such dismal results was awarded to Children's Hospital – a major teaching affiliate of MCW – and Fighting Back Inc., a drug treatment program whose board included two MCW employees. The committees, moreover, required that a member of the schools' faculty or staff had to be chosen as the paid academic partner for every public health project.

The audit recommends the colleges change their conflict policies, which, says ABC for Health, would correct the need for "strong and unbiased oversight."

Making matters worse: The two medical schools had promised that a minimum of 35 percent of all funding would go to public health projects. But the audit bureau found just 30 percent has gone to public health, with the rest grabbed for education and research at the medical schools.

Dr. John Raymond, MCW president and CEO, says the school re-evaluates the 35-65 split each year and occasionally re-allocates funding to better adhere to the funding formula. As for funding staff members, he says, compensating academic partners through the public health grant "is no different than community health workers getting compensated.

"We do want to serve the needs of Wisconsin," he says. "Expanding what we do ... helps us to reach out to public health."

Perhaps. But even if the expansion of medical school programs brings long-term benefits to Wisconsin, public health problems such as childhood obesity, infant mortality and teenage smoking need attention now.

The reality is that the schools are using the Blues endowment to bulk up "what could be considered the medical schools' core functions," as the audit bureau suggests. And no other state has used the money this way.

Yes, there's value to having stronger medical schools. But as they bolster their strategic mission, are they selling the public health of Wisconsin short? ■



KURT CHANDLER CHATS MORE ABOUT THE SUBJECT ON WUWM'S "LAKE EFFECT" NOV. 18 AT 10 A.M.