Major health policy challenges for the next decade

by David Durenberger and Daniel McLaughlin

Ten years ago a heated debate began regarding the structure and control of the American health care system. With the failure of the Clinton Health Security Act and the moderate cost growth of health services many policy leaders turned their attention to other issues. However most of the problems that were debated in the early 1990s continue today and other new issues have emerged as well. The next decade will require strong leadership from the public and private sectors in order to meet these health policy challenges.

Public and population health

Globalization increases threats to the public’s health. Americans will be confronted with the risk of new and exotic diseases, many of which could become epidemics if not aggressively managed.

On the other hand, opportunities for raising the health status of Americans are at hand due to an increased understanding of the influence of personal behavior on health. As we all eat better, exercise more and avoid destructive substances our health will increase. And those of us with chronic diseases will have an increasing opportunity to manage our health more effectively.

Quality

The quality of health services continues to be an issue of importance, however it is not highly visible in the public debate. Although the Institute of Medicine released two highly critical reports during the last year, few policy makers have been able to construct new policy initiatives to meet the concerns expressed in the report. The under use, overuse and misuse of health services by some practitioners continues.

Growing workforce shortages will make health care quality improvement even more difficult.

One promising new initiative is the National Quality Forum. The Forum is beginning to coordinate all the quality reporting and improvement efforts of the public and private sectors. However, quality improvement cannot become a major focus of the health system until there is an effective market for high quality services and a concomitant financial reward for their provision.

Financing and access

As we begin this decade, health care costs have once again begun to rise faster than general inflation. Significant reasons for this include the cost of pharmaceuticals and an increased demand for ambulatory services. This cost pressure will surely increase the number of Americans without health insurance. The ability of providers to render services for free or at high discounts for these uninsured individuals is diminishing as cross subsidization is eliminated. It is likely that access to health care services for the uninsured will become ever more difficult.

A fundamental policy challenge is finding a method to constrain cost growth that is acceptable to consumers. Managed care organizations have withdrawn many of the techniques that they have historically used to control costs; such as restricted networks, pre-procedure certification, and tightly managed formularies. This change is due to many employers’ reluctance to buy health plans that use these techniques. Financing and payment systems must be developed which can provide appropriate incentives to encourage both cost control and quality improvement. Without a new theory of cost management, health care costs will continue to outpace general inflation.
Citizens League releases two new reports on mental health

by Kristine Lyndon Wilson

In conjunction with the Minnesota Department of Human Services, the Citizens League has released two new policy reports focusing on mental health issues.

The first report, "Meeting Every Child's Mental Health Needs: A Public Priority," takes a broad look at the state's mental health system in Minnesota. The report points to the committee to identify and recommend policies and strategies that Minnesota can pursue to ensure that every child's mental health needs are appropriately identified and met, as well as ways that major systems can be brought together.

The state's current mental health system is based on the 1989 Children's Mental Health Act, which outlines a state superintendence over county administered system for delivering mental health services to Minnesota's 1.2 million children. (Approximately 722,000 of these 1.2 million children are believed to have a serious mental illness or emotional disturbance.) The goal of the Act was to ensure access to a continuum of services that would address the unique needs of individual children, in a manner sensitive to their cultural differences and special needs. Early screening and prompt intervention were to be available to all children. The services provided by social service, health, education and juvenile justice systems were to be coordinated and complementary.

The Citizens League Committee on Children's Mental Health concludes that more than ten years after its passage, the Children's Mental Health Act outlines the significant impact mental health can have on a child's future and that the state seriously re-evaluates the policy of providing mental health services to children.

The second report, "Mental Health: Overdue for a revamp," by Lyle Wray, notes the report. "There is a rising sense of optimism in the field of mental health, with many effective treatments being unveiled for major challenges such as depression and anxiety. Yet, at the same time, there is almost a sense of despair about getting our state's overall public and private systems of mental health to work well for all of our children."

The report concludes that "by far the largest workplace impacts of untreated mental health problems are reduced productivity and increased health care costs." It also notes that the report calls for the legislature to authorize and fund an independent evaluation of the Collaborative system, with an emphasis on comparing outcomes for children in counties with Collaboratives and outcomes in counties without Collaboratives.

Lyle Wray is executive director of the Citizens League.
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The role of government
All levels of government have an active involvement in the current system and must continue to accommodate the new realities of the health care system in this upcoming decade. The federal government must grapple with marked increases in the number of Medicare enrollees and the growing costs of Medicaid due to expansions in long-term care. The private self-insured market will need to reexamine the privatization of the role that the Employee Retirement Income Security Act (ERISA) plays in its regulation.

In addition, states will need to reexamine their systems of regulating practice and their insurance industries. The health care workforce shortage will also need to be addressed at the state level as states have the primary responsibility for education and training.

Long term care
Nowhere is the dysfunction built into our health system and the over medicalization of our society more obvious and more costly than in long-term care. The long-term institutionalization of the mentally and developmentally disabled and the elderly combined with the public welfare approach to financing service design and delivery is at fault.

It must begin to change, and change must come nationally to support innovation at the state and community level. The Citizens League's 1999 contribution via the Minnesota Department of Human Services report - A New Wrinkle on Aging provides a precedent setting dimension to this challenge. This issue needs a rational dialogue and subsequent reform of income security policies. "Ending welfare as we know it" must not lead to a new definition of public welfare, but rather a new reform of private and social insurance; tax and employment benefit policies. Delivery system redesign and capacity building will follow.

Technology and the consumer
One of the wonders of the next decade will be the new health care science available to us all. We will see exciting developments in pharmaceuticals, new implantable technology and the use of the human genome. However to fully use these advances we will need to re-design the systems of delivering care.

The health care consumer will need to develop a closer partnership with their health care provider. Health care information needs to be automated in order to be used effectively by providers and patients while protecting their privacy and confidentiality. However, it is likely that consumers will have new financing systems available to them that will reward wise health care consumer behavior. The challenge for this emerging system is to find a way to move the consumer of today, who has first dollar insurance coverage and no particular interest or knowledge of their own health to the new "empowered" health care consumer of tomorrow.

Leadership
Who is going to develop the new health care policies needed to meet these challenges? The failure of the Clinton health plan and the incrementalism in its wake argues against significant or innovative federal policymaking. Although some states have been innovative in health policies, the marked variability among the states makes it clear for an ineffective national policy. Many private sector health care organizations have been on the defensive for the past decade as managed care has shown itself to have many more problems than was first identified by its proponents.

Therefore we believe the new health care policies of the future must come from the health professions and citizen action. Leaders must engage with their communities to define and address each emerging health policy issue. Citizen leaders with the help of doctors, health care executives, employees, patient advocates, and the media must work to change existing and new creative policy solutions. Elected officials that sponsor legislation that is effective and long lasting will look to practice to drive policy. Policy solutions that arise from citizen action and health professions leadership have a good chance of becoming permanent government and private sector policy.

The upper Midwest has always been a crucible of health policy innovation. Many of the ideas developed here have been adopted nationally by practitioners and policymakers alike. It is now time to demonstrate our leadership again.

David Dunrebar is the chair and Daniel McLaughlin is the executive director of the National Institute of Health Policy. NIHPP is a partnership of the University of Minnesota and the University of St. Thomas.

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with mental health problems and illnesses. On the upside, several current economic trends create a unique opportunity to motivate employers to address mental health in the workplace. Today's employers are under extreme pressure to attract and retain qualified employees in a very tight labor market, increase the productivity of existing employees, and manage rapidly rising health care costs.

"Employers who are sensitive to the mental health challenges of those working and make room for those with serious mental health problems to work will see significant results in all three areas," argues the report.

The primary recommendations of the report are that Minnesota take a public health approach to mental health, and that the Department of Health be given the responsibility and the resources to lead this public health approach. The report also recommends that a very specific public education campaign be directed at employees and suggests ways for mental health and rehabilitation service providers to connect with the business community, via things like the Internet. Kristine Lynden Wilson is a research associate with the Citizens League and served as staff to the League's two study committees on mental health. She can be reached at klynden@citizensleague.net.

"If there is a more backwards way to resolving Minnesota public schools' budget and labor issues than what Gov. Jesse Ventura proposed this week, it would be hard to imagine what it is," writes the Fergus Falls Journal (March 23).

"We find the governor's suggestion that teachers should work for the state as 'temporary employees' one of simplicity," says the Mesabi Daily News (March 22). "Sometimes simplicity is good. Sometimes not. In this case, most definitely not."

"Effective teacher strikes are worth discussing, it seems unlikely to be adopted in either house of the Legislature. After all, the state's teachers unions is a potent political force and one of the largest contributors to legislative campaigns."

"But virtually every daily paper in the state felt compelled to weigh in on the proposal for a publicly financed baseball stadium."

"State lawmakers' latest plan to help build a new ballpark for the Minnesota Twins contains sensible elements," according to the Fergus Falls Journal (March 23). "It suffers from a bit of the excess complexity and insufficient candor that have tripped up other efforts over the years to help the Twins succeed in Minnesota."

"As lawmakers refine and adjust their ballpark plan, they should keep it simple and call it what it is."

"If Major League Baseball eventually adopts a workable revenue sharing plan, as the NPL and NHL have done, the Twins should be able to afford their own stadiums," according to the Rochester Post Bulletin (March 26). "In the meantime Minnesota's tax dollars should go for new or improved public services, not for subsidizing a baseball stadium."

The Brainerd Dispatch (March 29) thinks the "state must meet other needs before granting the Twins a subsidy. If we continue to protect and use our natural resources, how we educate our children and how we fund our transportation systems should be vital concerns to senators and representatives." Hence the Minnesota Twins, a private, for-profit sports franchise, are just not on that list of vital interests. "While there is a sentimental attachment and pride in the Twins and the stadium that has been translated into unlimited generosity when pressing new state needs are being urgent."
Minnesota Journal: April 17, 2001

**Minnesota corridors: The city’s veins and arteries**

by Chuck Ballentine

Minnesota is a city of neighborhoods bound together by its river corridors as arteries. These connecting streets and the land uses that border them continue to play a special role in the evolution of our communities. The Minneapolis Comprehensive Plan uses the terms “community corridors” and “community corridors” to describe the streets characterized by mixed-use, linear development. Access to goods and services, community facilities and natural amenities are an important feature of these corridors. The neighborhoods find many of their goods and services along these corridors. As destinations and demands for traffic, these places function like the city’s principal arterials. This article reviews the historical rise and decline of these corridors and gives several examples of current city efforts to enhance and revitalize these corridors, to keep our veins and arteries healthy.

**Urban settlement and corridor development**

Urban settlement and growth in Minneapolis changed radically in the late 1880s with the electrification of horsecar lines. The electric streetcar and trolley systems changed Minneapolis. The Minneapolis Urban settlement and corridor “The opportunity is clear: There is only one Mississippi, and the Upper River is the best potential large-scale amenity awaiting development in the City of Minneapolis.”

**Upper River Master Plan – changing land uses**

Land use in the Upper River corridor has been in a state of flux for the past 125 years, with a variety of uses: industrial, processing and transport industries, responding to market forces and rapid changes in available resources and technologies. This change can be understood by tracking the history of specific parcels of land. For example, the area along the riverfront of Plymouth Avenue was used for saw mills, lumberyards, and foundries during the first era of the city’s settlement. When the supply of trees declined the vacant land became a railroad yard stretching up past Broadway. After the rail yard became unnecessary with conversion from steam to diesel engines, the MCCA developed the current West River Road, with riverfront open space on one side, and the other side lined with light industries such as printing plants and laboratories.

Current city policies encourage light industrial and park development on the Upper River, while also supporting older commercial and processing industries such as printing plants and laboratories. This article reviews the historical rise and decline of these corridors and gives several examples of current city efforts to enhance and revitalize these corridors, to keep our veins and arteries healthy.

**The major benefits of this plan. . . include 90 acres of new park land, 15 miles of bike lanes and recreational trails, 5.25 miles of parkway and boulevards, 2,500 housing units in new riverfront neighborhoods, 2,000 new additional jobs and over $10 million in additional annual tax revenue.”

Plan explores the potential to continue a continuous riverfront park system on both banks of the Upper River, lead the transition away from hanging and heavy industry to a new, more stable era of land use. This plan presents a bold vision for developing the Mississippi riverfront into a regional park area in north and northeast Minneapolis. The opportunity is clear. There is only one Mississippi, and the Upper River affords some of the most attractive sites with exceptional river views and quick access to downtown. Two major redevelopment areas are proposed on the West Bank including a mixed-use urban promenade district south of Lowry Avenue and a new neighborhood north of Lowry. The development of residential neighborhoods will produce many benefits including a higher value tax base, support for locally-based commercial goods and services, move-up housing for area residents, increased park security, and an enhanced constituency seeking continued success. The Greenway will add parkway amenities along and adjacent to Humboldt Avenue and North in the Shingle Creek and Lind-Boehm tor neighborhoods, from Victory Memorial Drive to 53rd Avenue North in Minneapolis. Project construction began in July of 2000.

With the input, support, and cooperation of the community, this project has been designed to add much needed senior housing, larger single family homes, and attractive townhomes to neighborhoods that currently lack a range of housing choices. This project will also enhance Single Creek as it flows toward the Mississippi and improve pedestrian connections to existing parks and schools. The Humboldt project represents long-term value and enhanced existing tax base and improved connections to existing parks and schools and improves the aesthetic characteristic of the corridor. The project’s scope includes the addition of a new parkway-style boulevard and a new south Minneapolis, bridging rail tracks and crossing below Interstate 394. Significant connections include job-creating facilities, parks and parkways in South Minneapolis. Enhanced landscaping and on-site surface storm water management to improve the aesthetic characteristic of the corridor is included within the scope of the project. The City of Minneapolis is moving to improve its veins and arteries healthy by high-lighting and enhancing a corridor like the Avenue of the Arts changing land uses entirely like the “Above the Falls” Upper River Master Plan; building on the existing success of the corridor in the Humboldt Greenway project, and created new corridors like the north-south corridor of the North Minneapolis Redevelopment. Mj Chuck Ballentine is the director of planning and zoning for the City of Minneapolis. This article was taken from “The Minneapolis Plan” Volume I-Planning Document, “Above the Falls,” the Upper River Master Plan, “Avenues of the Arts” Master Plan,” and the Heron report sent to the City Council.

**Corridors continued on page 7**
About 18 months ago the Minnesota Journal reported that Education Minnesota (EM) lost its bid for loan forgiveness for $2.3 million as a result of the merger of The Minnesota Education Association (MEA) and the Minnesota Federation of Teachers (MFT). At the time Education Minnesota pledged that the merger would not result in a dues increase or a special assessment to pay for the additional $240,000 per year. Apparently Education Minnesota is living up to its promise. Sort of. According to Mike Antonucci of the Education Intelligence Agency, part of EM members’ dues payment goes to a “crisis fund” which is designed to provide support in case of a strike. In March delegates to EM’s Representative Convention approved a plan to use interest from the fund to pay the NEA debt. Apparently EM believes there is a distinction between actual dues income and the interest earned from dues.—Phil Jerri

The Minnesota Business Partnership’s April newsletter quotes data from the Minnesota Department of Children Families and Learning that shows school district revenue per student increased by 18 percent – after adjusting for inflation during the 1990s. Revenue per student jumped from $5,395 in 1990 to $8,382 in 2000.—P. J.

It has been a few months since we’ve seen an upward revision in the expected cost of Minnesota’s Mall of America-to-Downtown light rail line. Just in case anyone is keeping track, Seattle still wins the prize for the most expensive rail project in the country: $4.1 billion (so far) for a 21-mile line. The financial situation is getting so bad that the U.S. Inspector General actually told Congress at the start of this month to suspend future funding until local transit planners get their act together and come up with a clear bottom line cost for the project. Meanwhile, King County’s elected officials are debating increasing fares on the region’s buses in order to generate a few million dollars in additional operating funds. Is this the vital, competitive future we can look forward to as our own rail line progresses?—Dave Chadwick

Help Wanted: Teachers. Over the next decade America needs to hire 2.2 million K-12 teachers. For September of 2001 New York City Schools have 12,000 vacancies and Los Angeles has 4,000. Might be a good time to dispense with cash incentives for early retirement in Minnesota. (U.S. News and World Report, April 9).—L.W.

Minnesotans are accustomed to thinking of Target—and especially the now defunct Dayton’s name—as our own. With more than 35,000 employees, it’s the largest private-sector employer in the state and second only to the State of Minnesota in total Minnesota employees. But the Target Corporation is now the largest private employer in California, too, with 64,000 employees spread out in more than 270 stores.—P. J.

Hands were wringing over the latest results of the TIMSS (Third International Math and Science Survey), which is administered to a sample of students around the world to measure math and science education. The rankings for American eighth graders improved over 1995, the last time the test was given, but differences in which countries participated in the two rounds of tests made it difficult to know how real the improvements were. More troubling: some inner-city districts—like Miami, Jersey City, and Chicago—scored near the bottom of the international rankings, down near Chile, Morocco and South Africa.

Meanwhile, in Japan, usually admired for its math and science schooling, the Ministry of Education has ordered a 30 percent cut in the amount of math and science instruction in elementary and middle schools (Japan Digest, April 4). The education bureaucrats decided schools should stop trying to cram kids’ heads full of facts and give them more leeway for independent thinking. But universities are saying freshman competence in math and science has taken a nose-dive, and employers complain that younger workers don’t have the skills needed to do their jobs. These developments show why comparing relative achievement has its limits. American achievement may suddenly look better next round, not because our kids know more but because other kids know less. Let’s hear it for objective standards of excellence.—Janet Dudrow

I’m a big fan of writers who find ways to make abstract numbers vivid and meaningful. Gregg Easterbrook of The New Republic recently pointed out (March 16) that in 1999, the year of the Columbine shooting, 28 students were killed nationwide in schools—while 840 kids under age 20 were killed when struck by cars while walking, often to school. Funny how we don’t see splashy front-page stories on newspapers, magazines and TV about the tragedy of juvenile pedestrian deaths.

Another good number-smith, Steven Holmes, did a story in The New York Times (March 21) about the lobbying clout of AARP (formerly the American Association of Retired Persons). He points out that the organization’s nationwide membership, at 33.4 million, is bigger than the population of Canada.—J.D.

“Take Note” contributors include Minnesota Journal and Citizens League staff members and Janet Dudrow, policy analyst at Dorsey & Whitney.

The Minnesota Journal
Citizens League
708 S. Third Street, Suite 500
Minneapolis, MN 55415
Welcome

New and returning members

Brigid M. Gormley
John D. Klein
Lee Schickling
Sally Smaida
Catherine Solheim
Andrew Youel

Board puts energy into next study committee

The Citizens League Board of Directors has selected a review of Minnesota's energy policy as the topic of the next study committee.

The Board chose the energy project from a list of topics recommended by an ad hoc Program Committee led by Board members Bill Diaz and Barb Sporlein.

Other top considerations included a look at what Minnesota's public institutions need to do to serve new residents of Minnesota and developing a citizen vision for the metropolitan bus system using the latest in bus system design and technology.

While the Board was intrigued by all the choices, they felt the energy topic was the best fit for the League's research agenda.

It has been 25 years since the state of Minnesota last took a major look at energy supply. The Board felt that the state needed a new, independent, non-partisan review of Minnesota's energy future and that the League was well-suited for the task.

Minnesota Unplugged: Time for a New Energy Policy

Earlier this winter, most Minnesotans were shocked by the rapid increase in home heating bills. But the rolling blackouts in California shifted concern from high prices to reliability.

A recent poll conducted by the St. Paul Pioneer Press and Minnesota Public Radio indicated that 72 percent of Minnesotans are either "somewhat" or "very concerned" about Minnesota's electric supply. And well they might be.

Some analysts predict Minnesota faces California-like shortages within the next half dozen years. They project the state will need an additional 3,000 megawatts of electric supply by the end of the decade — that's the equivalent of supplying energy to 300,000 homes, or put another way, requires the capacity of three big power plants like we have now.

The charge to the League committee will concentrate on three questions:

- With the marketplace for energy increasingly crossing state and national borders, what is the state's role in terms of supply, conservation, and market restructuring?
- What policies should Minnesota adopt in those areas where there is a significant state role?
- In preparing for Minnesota's future energy needs, how should we balance affordability, reliability and environmental soundness?

The committee will begin work soon after Memorial Day. Watch your mail for the details.

Help Wanted — Citizens League Program Associate

The Citizens League is about to experience our own labor shortage. We're looking for a program associate to provide the primary staff work for the upcoming energy committee and help out with other League programs, like the Mind-Openers, and the Minnesota Journal.

A complete job description can be found on the front page of the League's web site at www.citizensleague.net. Candidates should possess excellent writing, administrative, organizational, analytical and strong inter-personal skills. Candidates should work well in a small office setting and should be flexible enough to become involved in a wide variety of policy topics.

Contact with community leaders; a collegial, stimulating and flexible work environment; and a competitive salary and employee benefit package make this a very attractive position. If you, or someone you know, are interested please send a resume and cover letter to Phil Jenni at 708 South 3rd Street, Suite 500, Minneapolis, MN 55415 or email pjenni@citizensleague.net.
Board endorses mental health reports

In addition to selecting the next study topic at its March meeting, the Board of Directors also endorsed the recommendations of the League's two new reports on mental health (see article in this month's Journal). Adult mental health committee co-chair Jan Smaby presented the work of her committee, which was co-chaired by Mike Christenson. Marcia Avner and Keith Halleland, co-chairs of the children's mental health committee, were also on hand to brief the Board on the work of their committee.

The children's mental health report is already gathering media attention, serving as the jumping off point for an editorial in the April 1 edition of the Star Tribune. The editorial touches on several of the flaws in Minnesota's children's mental health system and compliments the League for having "many remedies in mind."

Both reports are now available online at the League's website (www.citizensleague.net). Hard copies can be obtained by contacting the Minnesota Department of Human Services at (651) 582-1829.

During the Board’s discussion of the reports, League Executive Director Lyle Wray reminded the Board that since the studies were done under contract with the Department of Human Services, their endorsement was necessary to make the reports official League policy. He also noted that contract studies are a unique confluence of mission-related policy work that fits the League's current portfolio, fills a community need and diversifies the League's revenue sources.

Guidelines for contract studies include: 1) the study fits within the League's current issue portfolio, or the League's historic interest (e.g., property tax); 2) the League has complete control of the process; 3) the study has the potential to make a contribution to good policy and put the League in the forefront of policy debates; and 4) the project is financially successful.

50 years of good ideas for a better place — CL 1952-2002

The Citizens League will celebrate its 50th anniversary in 2002. We intend to mark the occasion over the course of the next year and a half with a glimpse back at the League’s influence and impact on making this a better place.

This month we'll take a look back at what the League was doing 20 and 40 years ago.

Twenty years ago, in April 1981, the League released a statement urging the Metropolitan Council to tackle new initiatives to keep its role as policy coordinator for the region. Specifically, the League listed four areas where the Council should take more policy initiative: cable communications; regional employment policy; financing regional services; and local government boundaries, structures and functions. The statement also repeated the League’s long-standing position that the Council should be elected.

The League also renewed its call for a high occupancy vehicle lane for the planned construction of I-394. The League said a conventional freeway would be obsolete before completion and said that “the greatest potential for progress lies in creating more incentives for ride-sharing.”

The League’s sights weren’t as regional back in the spring of 1961. Forty years ago the League suggested modifying a proposed Minneapolis charter amendment for increasing the strength of the Police Department.

In addition, the League expressed its disappointment that the city’s Chief Administrative Officer would report to the City Council and not the Mayor’s office.

The League also weighed in on the “hottest metropolitan issue in the Legislature” — strongly urging the passage of a bill establishing a metropolitan sanitary district. The League said the bill was necessary for the “benefit of the health and orderly growth of the entire metropolitan area.”

League Executive Director at the time Verne Johnson had recently chaired a special committee on the topic that had been appointed by Governor Elmer L. Anderson.