



# Advocacy

## ADVISORY

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### HOT TOPICS FOR ADVOCACY IN THIS ISSUE

**THIS ISSUE** of the Advocacy Advisory will focus on topics of current interest within the 110<sup>th</sup> Congress – including an examination of the outlook for health care issues. The CHRISTUS position is consistent that federal health care dollars must be preserved in programs such as Medicare and Medicaid, as both of these programs these serve a vital function as part of the health care safety net for the uninsured and underserved population. Also under scrutiny at the federal level at this time are funding for stem cell research and renewed examinations of the Medicare prescription drug plan.

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### STATE OF THE UNION ADDRESS OFFERS DOMESTIC AGENDA

**P**resident Bush devoted approximately half of his State of the Union address to new major domestic initiatives, inviting Congress to work with him to balance the budget, to reduce “special interest” earmarks, and to reform entitlement spending. In addition, he announced three major initiatives – to make health care more widely available and affordable; to enact comprehensive immigration reform; and to reduce our nation’s dependence on foreign oil by reducing gasoline consumption by 20 percent over the next 10 years. In addition, he called on Congress to re-authorize the No Child Left Behind Act. Legislative details of his agenda will be more fully set forth when the President delivers his FY2008 budget on February 7. As described by the White House, the President’s health care agenda includes two parts: 1) reforming the tax code to provide a standard deduction for health insurance in order to make health insurance more affordable and thus to encourage more Americans to

purchase it, and 2) helping states make basic private health insurance more widely available. For immigration reform, the President wants a comprehensive bill that will “secure our borders, enhance interior and worksite enforcement, create a temporary worker program, resolve – without animosity and without amnesty – the status of illegal immigrants already here, and promote assimilation into our society.”

Without a doubt, Iraq will dominate much of the debate in the near term. Before the country turns its attention to the 2008 elections, however, the opportunity to legislate will exist. Given their new-found majority status, Democrats are expected to confront the Administration on a wide range of issues, starting with Iraq, but likely extending to the domestic policy agenda as well. The President will likely find it much more difficult to secure confirmation of judicial nominees, and the Republican minority may be forced to take a series of political votes (for example, minimum wages and stem cell research) aimed more at setting the debate for the 2008 presidential election (and the next congressional elections) than for changing current law.

*Source: Patton Boggs, 1/24/07.*

## BUSH SEEKS MEDICARE AND MEDICAID SAVINGS

President Bush will ask Congress in his budget next week to squeeze more than \$70 billion of savings from Medicare and Medicaid over the next five years, according to recent statements from administration officials and health care lobbyists. The proposals, part of a White House plan to balance the budget by 2012, set the stage for a battle with Congress over entitlement spending. Even some administration officials say they cannot imagine approval of such large cutbacks in a Congress now controlled by Democrats. Mr. Bush is also expected to propose changes in the Children’s Health Insurance Program to sharpen its focus on low-income families. The changes could reduce federal payments to states that cover children with family incomes exceeding twice the poverty level. Under federal guidelines, a family of four is considered poor if its annual income is less than \$20,650.

The child health proposal, like those for Medicare and Medicaid, is likely to touch off a fight on Capitol Hill. Senator Hillary Rodham Clinton of New York and other Democrats are seeking major expansions of the children’s health program, though they have not said how they would pay for the changes. One measure of the political difficulty facing the president’s plan for Medicare and Medicaid is that he sought \$20 billion less in savings from the two programs last year, when Republicans controlled Congress, and few of those proposals were adopted. Representative Charles B. Rangel (D-NY) who heads the House Ways and Means Committee, said: “There is a large area for potential compromise and agreement, but with these latest Medicare proposals, the president is just asking for controversy. He still acts as if Republicans were in complete control and Democrats had lost the election.” Mr. Bush has repeatedly said that Medicare has serious long-term financial problems, and many experts share his concern. “If you want to balance the budget eventually and you do not want tax increases,” said Joseph R. Antos, an economist at the American Enterprise Institute, “you have no choice but to propose substantial reductions in Medicare. The president’s budget is an opening bid, the start of negotiations with Democrats over health care and other programs.”

Taken together, Medicare and Medicaid cover more than one in four Americans. Federal spending for the two programs totaled \$554 billion last year, or about 21 percent of all federal spending — a little more than Social Security. With no change in existing law, spending on the two health programs is expected to rise at a brisk pace, averaging more than 7 percent a year in the next decade. Representative Jim McCrery of Louisiana, the senior Republican on the Ways and Means Committee, said: “The current rate of growth in Medicare, fueled by rising health costs and an aging population, is unsustainable. If Congress does not undertake sensible reforms soon, the system will be swamped as the baby boom generation begins to retire. Taxes will rise, benefits will be cut, and the entire economy will suffer.” Under the president’s plan, some Medicare beneficiaries would shoulder added costs. At present, about 4 percent of the 43 million beneficiaries must pay more than the standard monthly premium — it is \$93.50 this year — because they have high incomes: more than \$80,000 for individuals and \$160,000 for married couples. The president’s budget would require more people to pay the higher premiums, but administration officials would not immediately provide details. Most of the proposed savings, however, would come from health care providers. Mr. Bush is expected to propose freezing Medicare payments to home health agencies and reducing the inflation allowance paid to hospitals, nursing homes and other providers.

Hospitals plan to fight the president with lobbying and advertising. "Two-thirds of hospitals already lose money treating Medicare beneficiaries," said Richard J. Pollack, executive vice president of the American Hospital Association. The president's budget also assumes that Medicare payments to doctors will be cut at least 8 percent next year, as provided under a formula in existing law.

Administration officials said Mr. Bush would not try to curb payments to private managed care plans, which currently enroll more than eight million Medicare beneficiaries. But many Democrats in Congress want to do so, because, they maintain, Medicare overpays the plans, which they see as a step toward privatizing the program. Insurance companies are mobilizing beneficiaries to lobby against any cuts in Medicare payments to private plans. Mohit M. Ghose, a spokesman for America's Health Insurance Plans, a trade group, said, "Any cuts would take away benefits from millions of low-income people and members of minority groups, who enroll in private plans because they cannot afford the high out-of-pocket costs in the traditional Medicare program."

*Source: The New York Times, Associated Press, 2/1/07.*

## CONGRESS TO TAKE EARLY LOOK AT SCHIP FUNDING

**I**n the wake of President Bush's announcement regarding savings to be sought from Medicare and Medicaid, Congress will still seek now to explore the funding for children's health care. Congress probably will take its time in considering President Bush's plan for expanding health insurance coverage. Lawmakers, however, are moving more quickly to renew a program that now provides coverage to 6 million people, mostly children. The State Children's Health Insurance Program expires September 30. Democrats and Republicans say they want to swiftly reauthorize the program.

"There is no greater priority for the Finance Committee in the health arena this year," said Sen. Max Baucus, the committee's new chairman. "It's No. 1."

When Congress approved the program in 1997, it provided \$40 billion over 10 years. States use the money, along with their own dollars, to subsidize health coverage for families with incomes too high to qualify for Medicaid but too low to afford insurance through the private sector. Interest groups and trade associations are lobbying for a major expansion of the program as a way to reduce the ranks of the uninsured, now estimated at 46.6 million. But some senators sought to temper expectations. Sen. Charles Grassley (R-IA) noted the program will require Congress to find \$12 billion to \$15 billion over the next five years just to serve the existing population. That is above the \$25 billion that Congress would spend under the current money formula. Grassley said he has not heard any advocacy groups say how Congress should pay for expanding the program. He does not consider raising taxes an option. "A critical part of the discussion needs to be about how we are going to pay for the existing services before we can discuss expanding services," Grassley said.

Committee Republicans said restricting the number of adults eligible to participate could allow more children to be covered. Some states use their share of the grant money to expand insurance coverage for adults. Arizona, Wisconsin and others even cover more adults than children. Gov. Sonny Perdue of Georgia told lawmakers his state will run out of federal money for its children's health insurance program by March. That would affect 273,000 children. But even as some states struggle with shortfalls, others get enough money to cover populations that were never the intended recipients of the program, Perdue said.

Several Republicans agreed with Perdue's assessment that the program's resources should be focused on children. "The SCHIP program is for kids," Grassley said. "The C stands for children. There is no A in SCHIP." Overall, about 639,000 adults get health insurance through the program. Congress recently provided \$283 million to prevent states from experiencing shortfalls in health insurance funding. It also prohibited states from using their program money to provide coverage to adults without children. An exception was allowed for those states already given permission to extend coverage to adults. But Cindy Mann, executive director of the Center for Children and Families, said removing adults from the program would not free up significant money for children. "The adults covered through this initiative are very low income. We're talking about people who work at minimum wage or at \$7 or \$8 an hour," Mann said. "They don't have other options, so the ramification of dropping them would be to increase the number of uninsured people. That would be an ironic result of SCHIP reauthorization." Baucus, (D-MT) said after the hearing that he does not want to just renew the program, but expand it. "We're going to need more money for CHIP," he said. "And we need to move fast to find it to keep kids from losing coverage this

year." Christina Pearson, a spokeswoman for the Health and Human Services Department, said Secretary Mike Leavitt is committed to renewing the program. She declined to cite specifics on how much money the administration would seek in the president's 2008 budget proposal to be submitted to Congress on Monday.

On the House side, Democrats have said they would seek money for expanding children's insurance coverage and for improving outreach.

*Source: The Associated Press, 2/1/07.*

## **BACKERS PUSH FOR GENETIC NON-DISCRIMINATION BILL**

Supporters of a bill to bar discrimination against people because of their genetics have launched a push for congressional passage even as some business leaders oppose it, fearing a flood of frivolous suits. Medical researchers are learning more about the genetic component to a variety of illnesses, and tests are being developed to determine predisposition to ailments. The bill is backed by lawmakers worried that employers or insurers with access to such data may discriminate against people who someday may develop illnesses that are costly to treat. The legislation boasts strong bipartisan support and twice has passed the U.S. Senate by unanimous votes, the last time in 2005, but has languished in the House of Representatives. With Democrats taking control of Congress, however, its chances appear considerably brighter.

The measure would ban group health plans and health insurers from denying coverage to a healthy person or charging higher premiums based solely on a genetic predisposition to a disease. It also would prohibit employers from using genetic information in hiring, firing, job placement or promotion decisions. The U.S. Chamber of Commerce, a leading business lobby, is fighting the bill. But at a hearing before a House subcommittee last week, IBM endorsed it, noting that in 2005 it became the first major corporation to ensure nondiscrimination based on genetics as part of its official employment policy. A Senate committee is due to consider the bill soon. On the House side, aides said the measure is expected to be considered at the committee level in the coming weeks before heading to the House floor. The bill's sponsors said some people are reluctant to have genetic tests because of potential workplace consequences, for example, in cases of breast cancer, heart disease and diabetes.

"For the potential of genetic technology to be realized, we need to make genetic testing something that is commonplace, rather than something that is feared," Democratic Rep. Louise Slaughter of New York, a House sponsor of the measure, told the hearing. "This is the first civil rights legislation of the 21st century," Maine Republican Sen. Senator Olympia Snowe, a Senate sponsor, added in a statement.. Michael Eastman, the Chamber of Commerce's executive director of labor policy, said the bill would impose a new layer of regulations on medical privacy, still permit states to set their own perhaps different rules and would allow for excessive lawsuit damages. "What we have said is if there is to be a bill, then it must be narrowly drawn to avoid administrative difficulties implementing it and to avoid the potential for frivolous litigation." Rep. John Kline of Minnesota, the House subcommittee's top Republican, said the idea employees might lose their jobs or risk their health insurance because they might someday develop an illness is unacceptable. But he questioned the necessity of a new federal mandate on employers and insurers. Kline noted the only recorded claim of genetic discrimination brought by the U.S. Equal Employment Opportunity Commission was in 2001. "There has been no surge of lawsuits claiming that genetic discrimination by employers or insurers is a growing problem," Kline said.

*Source: Reuters News Service, 1/31/07.*

## **REGULATORY UPDATE: PROPOSED LTCH PROSPECTIVE PAYMENT SYSTEM RULE**

Last week, CMS issued a proposed rule establishing payment rates for the long term acute care hospital (LTCH) prospective payment system. These changes would, if finalized at the end of April, affect the 2008 rate year, which begins July 1. The rule proposes to expand the "25 percent" rule to freestanding LTCHs, and limits all LTCHs to receiving only 25% of their patients from any single acute care hospital. Also, the rule does not employ the one-time statutory budget neutrality adjustment to the base rate, postponing that discussion until next

year. In an unforeseen surprise, the rule proposes a small increase in the LTCH base rate. It also creates a new budget neutrality requirement for annual changes to the LTC-DRG weights so that recalibrations neither increase nor decrease aggregate spending. This element is somewhat positive, when measured in the context that for the last two years, the annual re-weighting exercise has been net negative to aggregate spending – although this still does not preclude CMS from recalibrating procedural codes in a manner that is negative to margins for particular procedures. Finally, following a recommendation from the recently released Research Triangle Institute study, the rule proposes to tighten the existing payment policy for short-stay outliers in an incrementally negative manner.

CMS estimates that the final rule will reduce estimated LTCH per discharge by approximately 2.9 percent (\$117 million) for rate year 2008, for projected total payments of \$4.4 billion. This net spending decrease breaks down as (1) a 0.61 percent increase in spending stemming from the 71 bps update to the base rate; (2) a 0.49 percent decrease from changes to the wage index; (3) a 0.91 decrease from a stricter short-stay outlier policy, and a 2.2 percent decrease from an expanded 25% policy. CMS estimates that total Medicare payments to LTCHs for rate year 2008 will be \$4.65 billion.

*Source: The Marwood Group, 1/27/07.*

## *Of Physician Interest*

### **PHYSICIAN GROUP SHIFTS EFFORTS ON MEDICAL LIABILITY REFORM**

Although physician lobbyists recognize that their years-long quest for a federal law capping medical-malpractice lawsuit awards is unlikely to be fulfilled by the Democratic Congress, they are taking the long view. Medical-liability reform remains a top legislative priority for groups such as the American Medical Association (AMA) and the myriad societies representing specialist physicians, lobbyists emphasized. But the changing political reality has forced them to adjust their strategies not only in dealing with Congress, but also in responding to their members and clients.

Promoting an issue to an uninterested majority party in Congress while restless clients grow frustrated is a challenge for any lobbyist. One lobbyist for physician interests said doctors must be convinced that the lobby's work in Washington is only one part of a broader strategy. Doctors around the country, and their representatives in Washington, still clamor for help with rising malpractice insurance premiums they contend are driven by litigious trial lawyers and profligate juries. President Bush shares this aim, arguing that high malpractice-insurance premiums are threatening some doctors' abilities to stay in business, especially among specialty physicians such as obstetrician-gynecologists. "To protect good doctors from junk lawsuits, we need to pass medical-liability reform," he said last week during his State of the Union address.

The president's words were met by silence on the Democratic side of the House chamber. A political environment that was less than completely hospitable to tort reform when the Republicans controlled Congress turned practically hostile to the idea when Democrats seized control of the legislature. Democratic lawmakers tend to side with trial lawyers and public-interest groups that argue the court system is the only institution that can level the playing field between private citizens and moneyed interests. "The most impartial forum for an individual to address a wrong is 12 jurors," a legislative counsel with Public Citizen, Linda Andros, said. "Why is medical malpractice any different?"

Indeed, Public Citizen and like-minded groups such as the American Association for Justice (formerly known as the Association of Trial Lawyers of America) deny there are widespread problems with the malpractice-insurance or legal systems. The Republican-controlled House passed legislation year after year that would have established a cap on the amount of money a plaintiff could win in a lawsuit against a physician. That bill specifically called for a \$250,000 maximum in so-called non-economic damages, which include "pain and suffering" payouts. The bill would not have limited the amount of money that could be awarded to make up for the costs of medical treatment or lost wages or for punitive damages.

Senate Democrats, with help from a handful of Republican colleagues, stymied the bill, to the consternation of physician lobbyists under pressure from the doctors they represent to secure a legislative victory on one of their

top priorities. The AMA and allied groups, such as the Health Coalition on Liability and Access, pushed hard in support of the Republican malpractice bills again last year. Their strategy included running advertisements in the home districts and states of key lawmakers. The physician lobbyist said that doctors' experience with the debate over the federal patients' bill of rights should inform their perspective on the liability reform effort.

The House and Senate both passed patients' bills of rights in 2001 but the legislation never made it to conference, largely because of opposition from the White House. Physicians were among the strongest proponents of the legislation, which aimed to place limits on health-insurance policies restricting access to medical treatments. Although the federal effort failed after years of negotiations, many of the proponents' aims were met by lawmaking at the state level and by health insurers acting on their own to eliminate some controversial practices. Likewise, the physician lobbyist said, a growing number of states have stepped in to tackle medical-malpractice insurance issues. The lobbyist credited work at the federal level with helping to spur action by the states.

There may yet be some form of legislative activity on medical-malpractice insurance or malpractice lawsuits this year. Senate Finance Committee Chairman Max Baucus (D-MT) and Senate Health, Education, Labor and Pensions Committee ranking member Mike Enzi (R-WY) plan to reintroduce a bill to establish special medical courts to decide allegations of malpractice, for example. In addition, House Judiciary Committee Chairman John Conyers Jr. (D-MI) and Energy and Commerce Committee Chairman John Dingell (D-MI) introduced legislation in the 109th Congress that would set some strictures on filing malpractice lawsuits and would establish new limits on the price of malpractice insurance. In the meantime, the AMA has signaled that it will dedicate more energy this year to items on its agenda that are more in line with the views of the Democratic majority. When the group issued a statement outlining its legislative agenda for 2007, getting more people covered by health insurance and preventing a 10 percent cut in their Medicare payments were highlighted over medical-liability reform.

*Source: The Hill, 2/1/07.*

## *Of Regional Interest*

### LOUISIANA

*Plan for Coverage Gets Cool Reception.* Louisiana's health-care system already has enough money to provide insurance coverage to a majority of the state's low-income residents, U.S. Health and Human Services Secretary Michael Leavitt said last week. Yet legislative leaders gave a chilly reception to Leavitt's proposal that Louisiana redirect money from the Charity Hospital System into government-subsidized private insurance, suggesting the plan is dead on arrival without a large infusion of money from Washington. They said Leavitt's proposals would leave hundreds of thousands of residents lacking both an insurance policy and the charity safety net of outpatient clinics and specialists that provide most of the care for Louisiana's uninsured.

"My impression is we're being presented with an unworkable plan that we're not going to be able to implement, so it'll look like we're failing," Senate President Donald Hines, D-Bunkie, said. Hines was among a small group of legislators who met with Leavitt as he toured south Louisiana to drum up support for a plan that was crafted last year by the Louisiana Health Care Redesign Collaborative. Leavitt also met with Louisiana State University officials who run the charity hospitals, and business and political leaders in New Orleans.

The health secretary said the devastation of Hurricanes Katrina and Rita have given the state an unprecedented chance to revamp an outdated public health-care system where care is largely financed through federal "disproportionate care" Medicaid dollars. "Our goal here ought to be for every person in Louisiana to have available to them an affordable basic insurance policy," Leavitt said. A financing model presented to state officials calls for taking money from the charity system to cover 319,000 adults with family incomes below 200 percent of the federal poverty level, or about \$40,000 for a family of four. That would provide coverage for about 90 percent of low-income uninsured adults once the new system is fully phased in, Leavitt said. But state officials dispute those figures and said Leavitt underestimates the number of uninsured people in the state. Even under the

most optimistic assumptions, however, 400,000 residents would be left without coverage. Those who could not or did not get covered would likely be forced to seek care through emergency rooms in private hospitals, which already have assumed a greater burden for treating the uninsured since the hurricanes.

At the end of a five-year phase-in period, Leavitt's plan would redirect \$770 million that the charity system currently spends on indigent care into insurance coverage, leaving about \$280 million for medical education, state psychiatric hospitals and rural hospitals. Proponents of the plan say expanding insurance coverage will lead to better health outcomes and lower costs by reducing emergency-room visits and increasing access to primary and preventive care. But skeptics of Leavitt's plan note that the charity system already emphasizes outpatient care and that its patient outcomes are often as good, or better, than those in the private sector. State Health and Hospitals Secretary Fred Cerise stopped short of declaring the plan dead, but he said federal officials fail to realize that much of LSU's budget already goes to outpatient clinics and preventive services that would be forced to close if that financing stream were to disappear. "When the trade-off is (to) close that (outpatient clinics and preventive services) to insure 40 percent of the people, that's a tough trade off," Cerise said.

He said the state will continue to look at the financing models presented by Leavitt, which fall well short of the original goal of providing universal coverage but gives the state a better idea of its options. "We got concrete numbers on the page," he said. "The state now can make some decisions."

Louisiana is not alone in seeking more federal dollars to expand health-care coverage. In California, Gov. Arnold Schwarzenegger is seeking \$3.7 billion per year from Washington to finance a universal health-care plan that also relies on new taxes to pay the freight, according to the Los Angeles Times. However, the Bush administration is asking states to boost coverage for the uninsured by shifting existing dollars. Leavitt said Louisiana needs to start planning for ways to revamp the current charity model because there is no guarantee the federal indigent-care dollars that make up the bulk of the hospitals' budget will be available in the future. Louisiana is the only state with a network of charity hospitals, in which most of the care is financed through federal "disproportionate share" payments. Unlike private and community hospitals, whose revenues are based on the money they collect for treating patients, state hospitals work under a mostly fixed budget and are charged with providing care to the indigent.

LSU Board of Supervisors Chairman Rod West said the hospital system will remain focused on its twin missions of educating doctors and treating the poor. Even longtime proponents of moving away from the charity model said the financing plan presented by Leavitt is unworkable. "I don't see a lot of health-care reform coming out of this," said Sen. Tom Schedler, R-Mandeville, who chaired the Senate Health and Welfare Committee under Gov. Mike Foster. Instead of overhauling the entire charity system, Schedler said the state should consider a pilot program at one of the smaller hospitals in the LSU-managed network.

Legislative leaders and the Blanco administration have indicated for weeks that they're prepared to seek changes in the health-care system that don't require federal approval. Cerise has said the department will propose expanding the LaCHIP program so that more children are covered. And McPherson has crafted his own health-care proposal, which is built on some of the concepts endorsed by the redesign panel but does not include the insurance subsidies favored by Leavitt. "There will be significant reforms that, when implemented, will have a positive impact on Louisiana citizens," McPherson said.

*Source: The New Orleans Times-Picayune, 2/1/07.*

## TEXAS

*Ideas Offered on Health Insurance.* Half of the Texans who now lack health insurance could have coverage if the state tried a combination of strategies, including expanded benefits for low-income families and tax incentives for small employers, an Austin-based think tank proposed this past week. The nonpartisan Texas Health Institute suggested 12 steps to make insurance available and affordable for about 2.7 million workers, students, and children and poor adults. The annual price tag: \$1.65 billion in state dollars and \$1.7 billion from federal coffers - or about \$1,330 per person, according to the Institute's assumptions. The proposed solution would tap an anticipated surplus in the state treasury to target growing concerns about the 1 in 4 Texans who are going without health insurance, institute President Camille Miller said Wednesday. "This is just such a common-sense thing that we need to do for our citizens today and for the health of Texas and its economy for the future," she said. Although the institute isn't lobbying lawmakers to implement its ideas, Miller said numerous state officials have inquired about Wednesday's report. Her organization intends to track any proposed legislation.

"I am the most optimistic that I've ever been," Miller said. "One of the biggest issues has been it's just so complicated. How do you do it?" In addition to the proposed solutions, the institute's report highlighted numerous findings about uninsured Texans, including: At least 72 percent of uninsured Texans are in households with at least one full-time worker, and 40 percent of uninsured families have annual incomes of at least \$40,000. But the price of family health coverage would have eaten a quarter of those earnings. Almost half of the uninsured live in the state's five largest urban counties. However, the counties with the highest concentration of uninsured residents are along the Texas-Mexico border.

*Source: Fort Worth Star Telegram, 2/1/07.*

## UTAH

*Health Care "Swing Out" Sparks Debate.* A legislative measure approved this week will either increase health-care choice or health-care costs, depending on who was testifying on which side of the hotly contested bill. SB66, sponsored by Sen. Michael Waddoups, R-West Jordan, would require Utah health insurers to offer plans with a "swing-out option" to allow consumers to visit providers outside their network. Patients would be responsible for extra costs associated with the swing-out option. "There are some very important policy reasons to support this," Waddoups told members of the Senate Health and Human Services Committee. "It creates choice and access to providers for the patients and citizens of Utah." For that reason, he said, SB66 is "putting insurance companies and hospitals into a real stir. They feel this bill will end the world as we know it today." Representatives from the Utah Health Insurance Association and Utah Hospital Association did speak against the measure Thursday, arguing it will increase health-care costs by eliminating the discounts insurers are able to create by sending large volume of patients to specific doctors and hospitals. "This directability impacts your discounts," said Kelly Atkinson with the insurance association. "If you're buying one 2-by-4, you're going to pay higher than buying 1,000 2-by-4s." The possibility of an increased financial burden on small businesses has led to opposition to SB66 from the Utah Manufacturers Association and the Salt Lake Chamber of Commerce. "When you start requiring the kinds of things that this bill does then you raise the cost," said Tom Bingham of the Utah Manufacturers Association.

Waddoups and committee members, two of whom are co-sponsors of the legislation, largely dismissed opponents' claims. "The system is broken," Waddoups said. "Costs are going up, hospitals and insurance industry must be part of the solution." SB66 is being pushed by the Utah Ambulatory Surgical Center Association, which has long claimed that free-standing surgery centers are being edged out of the market by the big health-care networks and the Utah Medical Association. Michael Abrams, a pediatric ophthalmologist and a member of the association's board of directors, said the bill addresses access to affordable health care is being restricted by corporate interests. Supporters note that while taking advantage of the swing-out option may indeed cost more, the burden will be borne by consumers actively making their own health-care choices. The Utah Medical Association favors the legislation, which it sees as a way to continue relationships between doctors and patients that are sometimes severed by a change in health plans. Access and competition in Utah's health-care market became a hot topic several years ago. A two-year legislative task force created to study the issue, co-chaired by Waddoups, concluded last November without issuing any recommendations or proposed legislation.

*Source: Deseret News, 2/2/07.*

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