



Advocacy

ADVISORY

Vol.8 No. 9, June 1, 2008

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HOT TOPICS FOR ADVOCACY IN THIS ISSUE

THIS ISSUE of the Advocacy Advisory will focus on topics of current interest to health care, including ongoing federal and state issues related to patient access, covering the uninsured, and reimbursements. The CHRISTUS position is consistent that 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.

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NUMBER OF UNINSURED YOUNG ADULTS GROWS

The number of uninsured U.S. young adults, who already represent a major chunk of the American population without health coverage, rose again in 2006, according to a study released last week. Based on census data, 13.7 million people aged 19 to 29 had no health insurance, either public or private, in 2006, up from 13.3 million in 2005, according to a report by the Commonwealth Fund, a private foundation that researches health policy. Men and women in this age group accounted for 17 percent of the under-65 U.S. population, but made up almost 30 percent of the uninsured, according to the report. At age 65, people enter the federal Medicare insurance program. "There has been a steady upward climb in the number of young adults without health insurance coverage," Sara Collins, an author of the report, said in a telephone interview. Reducing the number of Americans who lack health insurance has emerged as an issue in this year's U.S. presidential campaign. The government estimates that 47 million people have no health coverage in a country of about 300 million.

"If you ask young adults, as we do in our survey, if you've ever had problems accessing health care because of cost -- not filling a prescription, not seeing a specialist -- two thirds of uninsured young adults say yes," Collins said. Hispanic and black young adults were at greater risk of being uninsured than whites, the report showed. While 23 percent of whites ages 19 to 29 lacked insurance, the figure was 36 percent of blacks and 53 percent of Hispanics. Those aged 19 to 29 represent one of the largest and fastest-growing segments of the U.S. population lacking health insurance, the report said. The U.S. uninsured rate rises dramatically at age 19 -- from 12 percent of children up to age 18 up to 30 percent among men and women aged 19 to 29, according to the report. They often are dropped from public insurance programs at 19 or from parents' private insurance policies once they finish their education, either graduating high school or college. Many jobs available to young adults tend to be low-wage or temporary, the type often unlikely to provide health coverage. The report also showed that 38 percent of high school graduates who do not attend college and 34 percent of college graduates spend some time uninsured in the year following graduation.

Source: Reuters News Service, 5/30/08.

U.S. HEALTH INSURERS PUSH FOR POLICY CHANGES

Major U.S. health insurers last week pitched several clinical and payment policy changes, adding their voice to a growing debate over reforming the nation's costly and often inefficient health care system. America's Health Insurance Plans, a trade group for major players like Aetna Inc and UnitedHealth Group Inc, said its proposals, if implemented, could shave \$145 billion off the nation's \$2 trillion-a-year health care tab. Health care spending is now about 16 percent of the gross domestic product, and likely to top 20 percent by 2017, according to the U.S. Centers for Medicare and Medicaid Services. The trade group's cost savings estimate was blessed by consultants at PricewaterhouseCoopers.

Escalating costs and limited access to quality medical care in the U.S. are among the top domestic issues cited by voters in national polls ahead of the November presidential election. Members of the trade group are among those that helped derail the last major effort at national health reform, spearheaded by then-first lady Hillary Clinton. During that period, "we were reacting" to proposals, AHIP President Karen Ignagni said. The changes would include giving doctors, patients and payers access to research comparing treatments to guide clinical decision making. Such research is rare now because manufacturers have little financial incentive to do it. Lawmakers are currently debating setting up an independent body to do the research. The idea has some drug and medical device makers worried that the body would be used to blindly deny treatment. The AHIP plan also would include aligning patient outcomes and safety with reimbursement, an idea cited in many other reform proposals.

Source: The Associated Press, 5/30/08.

SENATE DEMOCRATS MOVE FORWARD WITH PLAN TO HALT MEDICARE PAYMENT CUTS

Despite a veto threat from the White House, Senate Democrats plan to move forward in the next two weeks with a bill (S 1951) that would reduce payments to Medicare Advantage plans to offset delaying a 10.6% cut to Medicare physicians' payments. The physician payment cut is scheduled to take effect July 1. The bill, sponsored by Senate Finance Committee Chair Max Baucus (D-MT), would cost \$18.2 billion over five years and would be funded through the cuts to MA plans, which cost taxpayers more than traditional Medicare.

Before the Memorial Day recess, Baucus ended negotiations with Senate Republicans on the bill. According to Hill sources, the bill will almost certainly be blocked by GOP members, with the backing of the White House. In a May 22 letter, HHS Secretary Mike Leavitt wrote that President Bush will veto any Medicare bill that includes cuts to MA plans. Observers believe the veto threat will almost certainly force a compromise later this month. Senate Republicans have proposed a \$14.9 billion, five-year plan that includes an 18-month delay of the physician payment cuts.

Meanwhile, interest groups and other lawmakers are pushing to include their own health policy provisions in the bill. Sen. Debbie Stabenow (D-MI) is pushing for a requirement that data collected by Medicare include information on race, sex and ethnicity. Lawmakers also are pushing for an electronic prescribing provision, which has been supported by the National Association of Chain Drug Stores. NACDS also is advocating for legislation that would increase Medicaid pharmacy reimbursement rates. In addition, Sens. Herb Kohl (D-WI) and Chuck Grassley (R-IA) are working to include a provision that would crack down on nursing homes with records of abusing their patients or committing errors that led to injuries and deaths.

Source: CQ Today, 6/1/08.

LAWMAKERS SEEK TO REVIVE LEGISLATION THAT WOULD ABOLISH COBRA COVERAGE

Reps. Mark Kirk (R-IL) and Dan Lipinski (D-IL) are pushing to revive legislation (HR 2047) proposed last year that would allow people to pay for health coverage from their former employers until they qualify for Medicare at age 65. COBRA currently allows U.S. residents who have left a job to keep their group insurance from their former employers for up to 18 months, and in some cases up to 36 months, by paying the entire premium. The Health Insurance for Life Act would remove those limits. Kirk said the bill would help people retain coverage if they have pre-existing medical conditions and if their new employer does not offer health benefits. The legislation would not help people whose COBRA coverage has expired, according to the bill's authors. The bill has not come up for a vote in either chamber, but if it is approved, COBRA coverage would cost U.S. residents up to 106% of the former insurance premium rather than 102%, Kirk said. He added that although not everyone can afford COBRA, for people who can, "at least ... you can choose to remain insured."

Source: Kaiser Daily Health Policy Report; 6/1/08.

CMS LAUNCHES OUTREACH PROGRAM FOR PRESCRIPTION DRUG BENEFIT

CMS launched a \$12 million outreach campaign last month to encourage low-income Medicare beneficiaries to enroll in the prescription drug assistance program. The outreach campaign, which runs through July, will involve a concentrated push in specific zip codes and an evaluation of what tactics are best for reaching the low-income population. State health insurance programs will receive \$7.5 million in federal funds to conduct the majority of the outreach. CMS will analyze the effectiveness of mailers, recorded phone messages and cold

calls from experts, as well as print and radio advertisements. CMS began planning the campaign six months ago, and CMS Administrator Kerry Weems said it will allow low-income individuals to enroll in the Medicare drug benefit at any time.

Meanwhile, Senate Finance Committee Chair Max Baucus (D-MT) said legislation he is working on that would delay a 10.6% cut to Medicare physician payments also will include a provision to change the asset limit for the drug benefit's low-income subsidy program.

Source: Congress Daily, 5/30/08.

DEMOCRAT ANNOUNCES PLAN TO COMBINE PRIVATE AND PUBLIC HEALTHCARE FOR UNIVERSAL ACCESS

U.S. Rep. Tom Allen (D-ME) on last Wednesday announced a health care proposal that would aim to provide health coverage for all U.S. residents using a combination of public and private plans. Allen is running against sitting Sen. Susan Collins, a Republican, and the plan announced has generated some interesting political discussion. Actually, many observers feel that Allen's proposal would allow people to keep their existing health insurance or enroll in policies offered by a government-run Healthy Americans program, which would be similar to the Federal Employees Health Benefits Program. Small businesses that offer health coverage to employees would receive a refundable tax credit. The plan also would provide federal funding to cover "some portion of the cost of catastrophic claims," Allen said. Medicare eligibility would be expanded to include people between ages 55 and 65, as well as people with disabilities who are younger than age 65. In addition, Medicaid and SCHIP would be expanded to include more children and low-income individuals. Allen said that under the plan, private insurers would have to compete for business on the basis of cost and quality. He said, "I think this is a practical way to get universal coverage in a country where people like choices." Allen said the plan, which would cost between \$75 billion and \$100 billion, could be funded by ending the country's involvement in Iraq, which he said costs \$12 billion per month; reducing Medicare Advantage plan payments; and allowing the government to negotiate lower prices for the Medicare prescription drug benefit. There is no word yet on when or what form such legislation might be generated.

Source: Kaiser Daily Health Policy Report, 5/30/08.

Of Physician Interest

AMA URGES ACTION ON MEDICARE PAYMENT CUTS

AMA champion Sen. Debbie Stabenow (D-MI), has submitted her bill, S. 2785, otherwise known as the Save Medicare Act of 2008. The Save Medicare Act would stop the Medicare physician payment cuts for 18 months and will not increase the cost of permanently fixing the fatally flawed Medicare physician payment system. The 18 month timeframe will inject some stability into the system for seniors and physicians forced to make difficult practice decisions because of planned payment cuts. The timeframe will also give Congress time to begin working on a long-term solution to the broken payment system without having to take action to stop the cuts twice in one year. AMA is urging all physicians to make legislative contact to help support this bill immediately.

Source: American Medical Association, 6/1/08.

Of Regional Interest

ARKANSAS

Governor Parses Words on Illegal Immigration. Mike Huckabee as governor preached the gospel of compassion when faced with efforts to restrict state services to illegal immigrants. Mike Beebe preaches the rule of law. The Democratic governor is facing the same push for more state level immigration provisions that his Republican predecessor successfully bucked. Instead of using a preacher's flair, Beebe's using a lawyer's pen to parse his words on a proposed ballot measure aimed at illegal immigrants. The day before a group called Secure Arkansas launched its signature gathering push to put its initiated act on the November ballot, Beebe tried to deal it a blow by announcing his opposition. The group hopes to put before voters a proposal that would require those older than 13 to sign an oath saying they live legally in the county before seeking public benefits from a state agency. Unlike opponents who argue the measure unfairly targets immigrants _ illegal or otherwise _ Beebe cast the issue as one of expanded government rather than discrimination. "All of the major provisions it proposes are already covered by federal or state laws, and this ballot title will create bigger government and cost Arkansans money," Beebe said. "Passing this initiative would merely re-state these same laws and add additional bureaucracy to Arkansas in the process." Within a matter of days, though, Beebe's office acknowledged that he did not know that admission procedures at the state's two largest schools could give illegal immigrants in-state tuition rates. In response, the state's higher education director ordered all two-year and four-year colleges and universities to ask potential students if they are in the country legally.

But instead of winning over advocates Beebe may have aimed to please with his carefully worded opposition, he earned scorn from some of them.

Alan Leveritt, publisher of the *Arkansas Times* and *El Latino* newspapers, blasted the governor for the decision and suggested he may have helped Secure Arkansas with the move. By ordering the schools to change their policies, Beebe gave the initiative's backers what they wanted, Leveritt said. "Now, without the haters signing a single petition, the governor has handed them a tragic victory," Leveritt wrote in a guest column in the *Arkansas Times*. Leveritt is also a member of the Arkansas Friendship Coalition, a group that was formed to oppose any state or local level measures they say unfairly targets immigrants. Steve Copley, the coalition's chairman, has said he has no problem requiring state colleges and universities to make sure only legal Arkansans pay in-state tuition. Beebe said he's not consciously trying to break from Huckabee's approach on immigration matters. An ordained Baptist minister, Huckabee as governor unsuccessfully pushed for legislation that would have made the children of illegal immigrants eligible for college scholarships and in-state tuition.

The argument the state has used in telling schools to ask potential students whether they live in the country legally mirrors the opinion Beebe issued as attorney general in 2005 questioning the scholarships and tuition proposal. Beebe is falling back on those legal arguments while Huckabee cast the immigration battle as a moral one. When a state senator proposed banning state services for illegal immigrants, Huckabee famously said the lawmaker drank a different kind of "Jesus juice" than him. It's not the first time that Beebe has tread carefully or held his tongue completely on hot-button issues. On the issue of whether gays and lesbians should be banned from adopting or fostering children, Beebe opposes the ban but focuses more on how he says it would create a "rigid" blanket policy on adoptions.

On illegal immigration, Beebe says he's not purposely avoiding the discussion of whether compassion or the rule of law should dictate how Arkansas treats its illegal immigrants. "It's just that I think you can be compassionate, and should be, and still follow the law," Beebe said last week. "They don't have to be mutually exclusive; however I do believe that if something is the law you follow it. If you don't like the law, you try to change it in the way this country was set up and designed to change the law."

Source: Stateline, 5/31/08.

LOUISIANA

Efforts Focusing on Stopping Proposed Medicaid Cuts. Louisiana hospitals, and many other healthcare providers, are facing cuts to the Medicaid program, as proposed in House Bill 1, the General Appropriations Bill. As written, the bill includes a reduction of 7.7 percent in Medicaid payments for inpatient services and 7 percent to outpatient reimbursements. Essentially, this measure translates to \$50 million in reductions to a program that is already under-funded. The Senate has now received the appropriations bill and will be considering the DHH portion of the bill this Monday. As institutions committed to faith-based healthcare, CHRISTUS Health provides important safety nets for underserved and vulnerable populations in Louisiana. During Fiscal Year 2007, CHRISTUS provided nearly \$60 million in uncompensated care – a clear reflection of the level of commitment to our mission. The potential impact of these Medicaid cuts would translate into \$3.7 million in reductions to Louisiana CHRISTUS facilities and threatening the community benefit our hospitals provide. CHRISTUS Health is helping to lead the fight to stop these cuts by participating in directed advocacy efforts. CHRISTUS Health is asking that only the Medicaid reimbursements be restored, but that they increase.

Source: CHRISTUS Health Louisiana Legislative Update, 6/1/08.

NEW MEXICO

Healthcare Issues Are Focus of Political Debate. District 1 Rep. Heather Wilson, currently running for the Senate seat being vacated by Sen. Pete Domenici's retirement, held a public discussion on rural hospital funding at Gerald Champion Regional Medical Center Friday afternoon. "I wanted to stop by and talk with you a little bit about some health care things," Wilson told the audience, which included hospital staff and some community leaders. "But I am also here to announce some very good news." Wilson pointed out that Congress has been working on some potential Medicaid regulations that would adversely impact rural New Mexico hospitals. She said seven different regulations have been proposed, two of which will particularly hurt New Mexico "very seriously." Wilson said one regulation concerns county indigent funds, which most New Mexico counties have. "It's been an approved match for Medicaid for almost 15 years now here in New Mexico," Wilson said. "Some brilliant bureaucrats in Washington decided to rewrite a regulation to go after a different kind of Medicaid fraud, and this particular program got kind of swept up in it because of the way that they wrote the regulations, or actually mis-wrote the regulations."

Wilson said the second regulation that particularly concerns her has to do with graduate medical education, which is very important as New Mexico tries to recruit and retain doctors doing their residencies particularly in rural areas. Wilson said the regulation would have a \$40 million impact on primary care residencies in rural areas and probably about a \$170 million impact on 20 different hospitals, including GCRMC. Wilson said the good news is the House voted about a month ago to put a moratorium on the regulations so they will not go into effect. The moratorium, which Wilson co-sponsored, passed the House overwhelmingly at 349-62, "which was a very strong vote," she said.

Wilson said she was pleased to discover the director of the Department of Health and Human Services, Secretary Michael Leavitt, announced Thursday that although the regulations are scheduled to go into effect at the end of May, he is extending the moratorium voluntarily another 60 days "because of the clear will of the congress." She said Leavitt invited leaders in Congress working on the issue to sit down with him and work the kinks out of the regulations. "That's a \$2.5 million impact just for this hospital each year," Wilson said. Wilson stressed that Congress needs to get the regulations right. She said the way the regulations were rewritten would cause a \$2.5 million hit to GCRMC's yearly budget, and the only way to make up the revenue would be to pass more local taxes or cut services. "Who wants to sign up for that?" Wilson asked the audience, who responded with chuckles. Wilson mentioned her "colleague from southern New Mexico" was among the 62 who voted against the moratorium. She was referring to Rep. Steve Pearce, who is also running for the Senate seat being vacated by Domenici.

"He believes there's fraud in Medicaid. So do I," Wilson said. "But you don't cut the funding for rural hospitals because you think there's fraud somewhere else in Medicaid, you go after the fraud in Medicaid. You have to keep the view of the forest while you take care of individual trees."

Wilson said the same piece of legislation that put a moratorium on the regulations also extended a nationwide pilot program that has been effective in fighting Medicaid fraud. The program, called electronic verification of assets, enables Medicaid workers to put applicants' information into a computer and check the information with a federal database. Wilson said the computer check helps Medicaid verify whether applicants' income is, in fact, actually the same as what they report. "So it goes after Medicaid fraud so that the people who really do need Medicaid get the help that they need," Wilson said of the electronic verification program. Wilson said there is much to be done to ensure a health care safety net for the poor and elderly while maintaining a quality health care system. She said she supports a private health care system in general, but also supports things like tax credits and association health plans. Tax credits would allow people who aren't insured through their employers to use pretax income to buy insurance. Association health plans allow small businesses to band together so they can get the same good rates bigger businesses get from insurance carriers.

Wilson also supports medical practice liability reform. "Because I have never met a lawyer that I want to do health care on me or my family," Wilson said.

Source: The Associated Press, 5/25/08.

OKLAHOMA

Oklahoma Health Officials Target Emergency Room Overuse. Oklahoma officials who oversee the state's Medicaid program hope to cut costs and improve the quality of care by reducing the frequency with which members visit emergency rooms. The Oklahoma Health Care Authority, which administers the federal program, identified 13,447 enrollees who visited emergency rooms four or more times in a three-month period in 2006 and 2007. A small number of SoonerCare members, less than 1 percent, visited emergency rooms 30 or more times within nine months but weren't admitted to the hospital. In 2004 the agency began tracking enrollees' emergency room use, sending letters to them and their primary care doctors, and even arranging local face-to-face interviews. The health care authority estimates it has saved \$8.3 million in keeping SoonerCare members out of emergency rooms and reduced visits by 30,760. SoonerCare, the state's Medicaid program, flags 1,700 to 1,800 members for intervention every three months. And the Health Alliance for the Uninsured found 53 percent of visits to six Oklahoma County emergency rooms in 2005 were for routine medical care. Medicaid patients represented 41 percent of these visits.

Source: Tulsa News, 5/30/08.

TEXAS

Healthcare Key Issue for Texas Voters, Especially Seniors. With just more than five months until the November election, a statewide poll of registered Texas voters by Baseline Associates finds 57% of voters less likely to vote for their local state legislator if he or she opposed increasing the amount the state pays nursing homes for Medicaid resident care. GOP, Democrat and Independent voters alike, in media markets across the state, back a rate increase. The data, released last week by Texas Health Care Association (THCA), prompted THCA President Tim Graves to say the group "will ensure voters are not only aware Texas' Medicaid rates are the 49th lowest in the nation - and fails to pay the daily rate the State *itself* says is necessary to care for Texas' oldest, most needy citizens - but also which lawmakers are helping to ensure this ongoing Medicaid funding crisis is properly rectified by state government." While 57% of Texas voters are less likely to support their local state legislator if they opposed boosting seniors' Medicaid rates, 22% are more likely to do so. 12% say it makes no difference; 9% were unsure or refused.

Source: Stateline, 5/31/08.

UTAH

Utah's Poor Feeling Increasing Pressure of Rising Costs. Rising food and health-care costs are affecting all Utahns, but they are forcing the state's poor to sometimes go without food and often medical services most of the time. According to a survey of 700 low-income residents during April and May by Crossroad Urban Center's Anti-Hunger Action Committee advocacy group, economic harm from the two out-of-control costs of living is not only greater, Utah's poor are also being driven deeper in debt than their better-off counterparts.

Among the findings of the survey that polled visitors to local Utah food banks the past seven weeks:

- 70 percent reported either skipping a meal or going to an emergency food pantry sometime during the past twelve months because they were unable to afford needed medical care.
- 71 percent of the families interviewed reported foregoing medical care — ranging from prescription medications to treatment for leukemia — because they don't have insurance and couldn't afford to buy treatment.
- 63 percent reported having no medical insurance.
- 24 percent had been kicked off a government-funded health insurance program because of paperwork problems that most said they didn't understand.

The survey also found that medical debt is routine for low-income Utahns. Nearly three out of every four of the households reported having a medical bill sent to a collection agency, and more than 25 percent reported using a payday lender to pay for a medical bill or visit. As more Utahns either lose their insurance or are moved into health insurance plans with high out-of-pocket expenses, more Utahns will be unable afford basic health care or will accumulate debt that will limit their access to credit, decent housing and future medical care.

Source: Deseret News, 5/28/08.

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