



# 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. Congress recently re-authorized SCHIP funding, an important victory for advocates of health care for the poor and underserved populations. There is discussion now on Capitol Hill regarding how best to fund this program. 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. Congress is currently in recess until following Labor Day.

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### PANEL OKAYS HURRICANE RECOVERY BILL

**T**he House Transportation and Infrastructure Committee has adopted a bill this week to hasten the recovery process for victims of Hurricanes Katrina and Rita, which struck nearly two years ago. The bill (H.R. 3247), passed by a unanimous voice vote, states that changes made to public assistance programs under the Stafford Act will apply retroactively to the ongoing recovery efforts from Hurricanes Katrina and Rita,

which occurred in 2005. The Stafford Act of 1988 established the United States emergency response system of financial and physical assistance, administered by the Federal Emergency Management Agency following the President declaring an area a disaster. The bill authorizes the FEMA administrator to include Katrina and Rita recovery efforts in a pilot program passed in the FY07 Homeland Security Appropriations Act that would increase the federal share of debris removal and financial incentives to expedite recovery project completion. The committee adopted an amendment by voice vote from Rep. Gene Taylor (D-MS), that frees up state and local governments to use Housing and Urban Development-administered Community Development Block Grants for emergency relief. House Transportation and Infrastructure Chairman James Oberstar (D-MN), said FEMA had not allowed several Gulf Coast communities to use the grants for emergency relief, since they had not been previously designated for that purpose.

The bill would also allow temporary housing to be used for volunteers, authorizes re-interment of remains in private cemeteries, and allows the use of third parties to expedite the public assistance appeals process. The bill also increases the amount of federal in-lieu contributions from 75 percent to 90 percent of the cost of repairing any state or local-government controlled property that will be replaced instead of repaired. Rep. Richard Baker (R-LA), said the bill was necessary because of the effects that continue to linger at nearly two years since the hurricanes made landfall on the Gulf Coast. Baker said that New Orleans' levee system is still not prepared to handle another hurricane the size of Katrina. "The problems outstrip the resources," Baker said. An amendment was offered, but withdrawn from Rep. Charles Boustany (R-LA), that would have protected federal reimbursements to which the Cajun Dome, in Lafayette, La., was entitled. Boustany said the dome housed approximately 18,000 refugees for 60 days after Katrina passed through the area, but FEMA was trying to reclaim \$1 million in reimbursements. "We shouldn't punish them for opening their doors in a national crisis," Boustany said. He withdrew the amendment after Oberstar said there was similar language in upcoming legislation from Baker, and he would work with Boustany to make sure the Cajun Dome was protected.

Rep. Thomas Petri (R-WI), said that House Transportation and Infrastructure ranking member Rep. John Mica (R-FL) would introduce a similar bill to assist victims of an outbreak of tornadoes in Florida earlier this year that caused widespread devastation.

*Source: Congress Daily, 7/16/07.*

## PRESIDENTIAL CANDIDATES ON HEALTH CARE

Although it is still very early in the 2008 presidential race, the issue of health care has already taken center stage among many other major issues that will dominate the national debate. The following is a brief synopsis of each major candidate's position. In coming issues, we will focus individually on the candidates in an effort to cover each in more detail. This issue looks at the plans of Democratic contender **Sen. Barack Obama** and Republican **Mitt Romney**.

**Senator Obama** has put forth a comprehensive plan for providing health care for all Americans, designed to create a new national health plan to allow individuals without access to insurance coverage to buy coverage similar to that available to members of Congress. The Obama plan claims to have guaranteed eligibility, comprehensive benefits, affordable premiums with subsidies available for some, paperwork reduction, easy enrollments and portability and choice. Under the Obama plan, employers that do not offer or make a meaningful contribution to the cost of quality health care for their employees will be required to contribute a percentage of their payroll toward the costs of a national plan. Small employers that meet certain revenue thresholds will be exempt. In addition, Obama states that he will require all children in the United States to have health care coverage, either through private plans as described above or through expansion of the SCHIP program.

*Source: Obama Campaign, 8/17/07.*

**Mitt Romney** has said he supports more market-based approaches to solving the health care crisis. If elected, Romney said he would not propose a "one-size-fits-all" national health-care plan, but would encourage the federal government to provide flexibility to let states carry out their own plans. "Some states will probably do it better," said Romney, adding that more than 20 states are considering plans similar to the Massachusetts experiment, which requires that everyone in the state have health insurance.

*Source: Romney Campaign, 8/17/07.*

## MEXICAN NURSING HOMES ATTRACTING U.S. PATIENTS

A "small but steadily growing number" of U.S. residents are moving across the border into Mexican nursing homes, which provide care at a fraction of the price of U.S. facilities. As millions of baby boomers reach retirement age and health care costs increase, Mexican nursing home officials expect more U.S. residents to move into their facilities. About 40,000 to 80,000 U.S. retirees currently live in Mexico, but no data exist on the number of retirees who live in nursing homes, David Warner, a public affairs professor at the University of Texas, said. According to *USA Today*, Mexico's proximity to the USA, low labor costs and warm climate make it attractive, although residents caution that quality of care varies greatly in an industry that is just getting off the ground here. Many Mexican nursing homes are run out of private homes, and, as a result, regulation by state health departments is often spotty. In addition, some Mexican nursing homes have suddenly gone bankrupt, forcing American residents to move, according to the study. Meanwhile, some Mexican nursing home officials underestimate the difficulty and costs involved with the operation of such facilities, and others are especially selective when admitting foreign residents to ensure that they have the ability to pay for care. Medicare, Medicaid, the Department of Veterans Affairs and most U.S. health insurers in most cases will not cover the cost of care at Mexican nursing homes.

Flavio Olivieri, a member of the Tijuana Economic Development Council, said, "With the right facilities in place, Mexico could give American retirees a better quality of life at a better price than they could find" in the U.S. However, Larry Minnix, president of the American Association of Homes and Services for the Aging, said that the lack of government regulation could place residents of smaller Mexican nursing homes at risk. He said, "It's the same danger you have of going across the border looking for cheap medications. If you don't know what you're getting, and you're not getting it from people you trust, then you've got an accident waiting to happen." Source: *Gannett News Service*, 8/16/07.

## DEMOCRATS LAUNCH AD CAMPAIGN TO GAIN REPUBLICAN SUPPORT FOR SCHIP

The Democratic Congressional Campaign Committee on Monday launched a radio advertisement and automated telephone campaign in the districts of five Republican House members to criticize their votes against legislation that would expand SCHIP. The radio ad campaign targets Reps. Jim Saxton (N.J.), Bill Young (FL.), Vern Buchanan (FL) and Tom Feeney (FL), and the automated telephone campaign targets Rep. Richard Baker (LA). The House SCHIP bill (HR 3162) would reduce payments to Medicare Advantage plans and increase the federal cigarette tax by 45 cents per pack to increase funding for SCHIP by about \$50 billion over five years. The bill also would make a number of revisions to Medicare. The Senate version of the bill would reauthorize SCHIP and increase the federal cigarette tax by 61 cents per pack to boost funding for the program by \$35 billion over five years. President Bush has said he would veto the measures. Bush has proposed a \$5 billion increase over five years for SCHIP, which would raise the program's total five-year funding to \$30 billion, and said he would veto the House and Senate versions. DCCC Chair Rep. Chris Van Hollen (MD) said, "This August we're going district by district to urge Republicans to stop obstructing progress," adding, "Republicans who continue to vote in lock step with President Bush and against children and seniors in their districts will be held accountable."

The National Republican Congressional Committee spokesperson Ken Spain said, "We are more than happy to have the SCHIP debate," adding, "Because of the Democrats' votes (for SCHIP), they are supporting cuts to Medicare and taxpayer-funded benefits for illegal immigrants." NRCC last week launched a radio ad campaign in the district of Rep. Zack Space (D-OH) criticizing his support for the SCHIP bill.

Source: *The Washington Times*, 8/16/07.

## AVERAGE MONTHLY PREMIUMS FOR MEDICARE DRUG COVERAGE TO INCREASE NEXT YEAR

The Centers for Medicare and Medicaid Services on Monday announced that average monthly premiums for the Medicare drug benefit will increase to \$25 in 2008, up from \$22 in 2007. About 87% of beneficiaries will have access to prescription drug coverage at the same cost or less in 2008 than in 2007, according to CMS. Beneficiaries can access prescription drugs with premiums at the 2007 level by enrolling in a different drug benefit plan during the open enrollment period, which begins November 15. Beneficiaries enrolled in private Medicare Advantage plans will see an increase in savings compared with beneficiaries in stand-alone plans in 2008, according to CMS. Beneficiaries in MA plans in 2007 paid \$7 less each month for drug coverage premiums than beneficiaries in stand-alone plans; in 2008, beneficiaries in MA plans will pay \$11 less for drug coverage. The increase in premiums primarily is a result of technical adjustments required by law, not because insurers estimated it will cost more to provide drug coverage for beneficiaries. CMS has said that the monthly premiums are able to stay below \$41 -- the monthly premium predicted in 2003 when the program was created -- because of "slower-than-expected growth in prescription drug costs generally, in part because of increased generic usage, effective plan negotiation and strong competition."

Source: *Kaiser Daily Health Policy Report*, 8/15/07.

### Of Physician Interest

## AMA LAUNCHES MEDIA CAMPAIGN TO HIGHLIGHT PROBLEM OF UNINSURED

This month, the AMA launches a three-year, multi-million dollar campaign to spur action to cover America's uninsured. The AMA will unveil new television and print ads and discuss other campaign activities. The initial phases of the Voice for the Uninsured campaign are timed in conjunction with the 2008 election cycle, and will bring a human face to this problem that affects millions of patients. The program will be launched on August 23, 2007 in Washington D.C. in order to bring attention to the fact that there are nearly 47 million uninsured in the United States today. The AMA has planned the media to coincide with the 2008 election rhetoric regarding health care reform.

Source: *American Medical Association*, 8/15/07.

### Of Regional Interest

## LOUISIANA

*Medicaid Program Expanded.* Louisiana will apply for federal approval to allow low-income parents in the New Orleans and Lake Charles areas to be eligible for basic Medicaid coverage as early as spring 2008. The state Joint Legislative Committee on the Budget gave final legislative approval of the plan this past week. The expansion is part of Gov. Kathleen Blanco's administration's plan to steer uninsured area residents into medical homes, or HMO-like networks of primary care clinics and specialists. Medical providers participating in the expanded Medicaid program would agree to be measured on quality of care and to implement electronic health records to track beneficiaries. State officials estimate that 80% of the 33,000 eligible state residents would participate in the program within the first five years, according to state Department of Health and Hospitals Secretary Fred Cerise.

Lawmakers allocated \$25 million to develop the medical homes program in New Orleans and Lake Charles and \$10 million to develop electronic record-keeping systems. The program, when fully implemented in the 2011-2012 budget year, is expected to cost almost \$96 million, with \$26 million contributed by the state. In the current budget year, the program is expected to cost \$4.7 million, with additional federal funds. The state in the future hopes to expand the program to childless adults, Cerise said.

In related news, a report released on Monday by the joint Brookings Institution Metropolitan Policy Program/Greater New Orleans Community Data Center found that the level of basic services in the Orleans and St. Bernard parishes, such as schools, libraries, public transportation and child care, remain at half of capacity, while fewer than two-thirds of hospitals and acute-care centers have reopened since Hurricane Katrina.

*Source: The Advocate, 8/16/07.*

## TEXAS

*Elderly Have Poor Access in State's Capital.* A 2006 Texas Medical Association survey found that more Texas doctors are limiting the number of patients they will take on Medicare, the federal program for the elderly and disabled. Some doctors are not accepting any new Medicare patients, mainly because of declining reimbursements and threatened fee cuts. Even fewer doctors take patients on Medicaid, the state-federal health program for the needy. Access problems in that program are because government reimbursements are too low, doctors said in the survey. In fact, half said they limit the number of Medicare patients they take because Medicaid fees are too low. Seeing a combination of Medicare and Medicaid patients is such a financial strain that they have to see more privately insured people to survive, they said. Austin doctors stood out for shunning patients in all major government programs. They had the lowest rate of physicians accepting new patients in almost all government health programs, the survey said. In the Medicare program, only 43 percent of Austin doctors surveyed said they would take new patients. For Medicaid, it was 18 percent; the Children's Health Insurance Program, 22 percent; and Tricare, the military health plan, 44 percent. The only government program in which Austin doctors didn't rank last in Texas was workers' compensation. It was second last to Dallas, with 69 percent of Austin doctors saying they would take new patients, compared with 66 percent of Dallas doctors. Medicare access is especially troubling because the general population is aging.

Statewide, "small, biennial decreases in the percentage of physicians who accept all new Medicare patients have added up to a disturbing trend as the percentage of physicians who accept all new Medicare patients has dropped from 78 percent in 2000 to 62 percent" in 2006, the TMA survey said. Tony Salters, a spokesman for the federal Centers for Medicare and Medicaid Services, said his agency hasn't detected any trend in declining physician participation in Medicare in Texas. Nearly 92 percent of Texas doctors, health organizations and others reported participating in Medicare in 2007, according to data he provided, up from 85 percent in 2001. But merely having patients in the program is different from taking new ones, said Donna Kinney, TMA's director of research and data analysis. Kinney said she felt confident of the survey results, noting that 1,617 doctors responded, with an error margin of 3.5 percentage points. As for the Austin data, the error margin would be higher, Kinney said. She didn't know why Austin stood out for having such high rates of rejecting new patients in government programs. Leading Austin doctors also were perplexed — and surprised. They could not explain why Austin would rank so low in its acceptance of government programs.

In addition, doctors are facing a 10 percent cut in Medicare fees in January unless Congress intervenes. A bill approved by the U.S. House to restore funding to doctors is strongly opposed by nursing homes, which say the cuts would come from their budgets. The industry would face a \$2.7 billion cut over the next five years, with Texas homes losing \$168 million, they said.

*Source: Associated Press, 8/17/07.*

## ARKANSAS

*Gov. Beebe Asks Arkansas to Act Now on Health Care.* Gov. Mike Beebe told a group of health advocates this week that states like Arkansas have to find ways to expand health care options on their own instead of waiting for guidance from the federal government. "We're not going to sit around and wait on the federal government for everything," Beebe said. "We have an obligation ourselves to do what we can ... to improve the quality of life of our people by providing affordable and accessible and quality health care." Beebe, Sen. Blanche Lincoln (D-AR), and Rep. John Boozman (R-AR), addressed more than 200 people during appearances at the Community Health Centers of Arkansas' daylong summit on health care Wednesday August 15. Beebe announced that he would re-establish the governor's round table on health care to study ways to expand health care options to Arkansans. Beebe said he was not directing the group to establish a specific program, but cited the ARHealthNet program as an example of solutions that states could find. Underwritten by the state and federal governments, the ARHealthNet program can provide basic coverage to as many as 50,000 small business employees. "It was an initiative the state came up with to try to provide an innovative way to reach more people," Beebe told reporters after his speech. "What I'm talking about is while we wait for the federal government to see what they're going to do, we have an obligation to continue the dialogue ourselves to spread affordability and accessibility in health care." Health officials have said that program is one of three that could be hurt if Congress doesn't approve an increase in funding for the federal government's State Children's Health Insurance Program. Arkansas also uses SCHIP money for ARKids First, which provides health care for children in low income families, and for prenatal care for pregnant immigrant women not eligible for Medicaid. Lincoln said she hoped that President Bush would not veto the increase in funding for SCHIP, as he has threatened, and said the increased money could help cut down further the number of uninsured children in the state. "Hopefully we look at it not just as a priority based on our values but also as a good investment in our country, not only for quality of life for the future leaders of this country but also as an economic and savings opportunity," Lincoln said..

*Source: Associated Press, 8/16/07.*

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