



Advocacy

ADVISORY

Vol. 7 No. 18, November 4, 2007

In this edition:

- Congress Again Passes SCHIP measure
- Unlikely Alliance Taking Shape on Health Care
- Number of Uninsured Veterans Continues to Climb
- Regional Updates

HOT TOPICS FOR ADVOCACY IN THIS ISSUE

THIS ISSUE of the Advocacy Advisory will focus on topics of current interest within the 110th 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. However, the measure is still less than solid because of a now realized presidential veto. 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.

IN THIS ISSUE:

- CONGRESS AGAIN PASSES SCHIP MEASURE
- UNLIKELY ALLIANCE TAKING SHAPE ON HEALTH CARE
- NUMBER OF UNINSURED VETERANS CONTINUES TO CLIMB
- NATION'S HEALTH CARE SYSTEM UNREADY FOR TERRORISM
- REGIONAL UPDATES

CONGRESS AGAIN PASSES SCHIP MEASURE

A Democratic-controlled Congress voted once again on Thursday, November 1 to provide health insurance to an additional 4 million lower-income children, and President Bush vowed swiftly to cast his second straight veto on the issue. The legislation cleared the Senate on a vote of 64-30. It passed the House last week, but supporters were shy of the two-thirds majority needed to override Bush's threatened veto. "We're convinced that the president has undermined an effort to protect children," Senate Majority Leader Harry Reid (D-NV), said shortly before the vote. "Congress has known for weeks that the President would veto this bill," White House press secretary Dana Perino countered in a statement shortly after the vote. "Now Congress should get back to work on legislation that covers poor children and stop using valuable floor time to make partisan statements." In a situation of unusual political complexity, Republicans dictated the decision to pass the legislation speedily. It appeared their goal was to short-circuit attempts by supporters of the bill to reach a compromise that could attract

enough votes in the House to override Bush's veto. Attempts by Reid to delay final passage of the bill until next week or longer drew objections from the GOP.

The veto-threatened measure would add an estimated 4 million beneficiaries to an existing program that provides coverage for children from families who earn too much to qualify for Medicaid but cannot afford private insurance. The program currently provides benefits to roughly 6 million children. At a cost of \$35 billion, the bill would be paid for through an increase in tobacco taxes, including a 61-cent rise on a package of cigarettes. Bush vetoed an earlier children's health bill this fall, and Republican critics said it failed to give a high enough priority to covering poor children, marked a Democratic attempt to expand government-run health care, and did not take sufficient steps to prevent the children of illegal immigrants from receiving benefits. Democrats failed to override his veto on a vote of 273-156, 13 short of the two-thirds majority they needed. In response, Democrats launched a replacement measure, incorporating changes they said were designed to meet Republican objections to their first offering.

However, President Bush dismissed those efforts this week, telling a business audience, "If Congress sends this bill back to me, I'm going to veto it again." He predicted his second veto would be upheld. A day earlier, the president told House Republicans in a private meeting that he would veto any measure that raised tobacco or any other taxes, a significant hardening of the administration's public position on the issue. Political polls show the children's health issue enjoys widespread support, and Democrats and their allies have moved quickly to exploit it for their advantage with television and radio commercials attacking Republicans who opposed the legislation. The result has been a growing nervousness among House Republicans looking ahead to the 2008 elections. The party's top leaders, Reps. John Boehner of Ohio and Roy Blunt of Missouri, joined the compromise negotiations in recent days. It is unlikely either of them would support a bill that raises taxes. Rather, officials said their intention was to coax as many concessions as possible from the Democrats so that the next measure would be one that other Republicans among the rank-and-file could comfortably support.

As an example of the unusual political maneuvering on the legislation, House Majority Leader Steny Hoyer announced shortly after the vote that Democrats would not immediately send the measure to the White House. Reid said that out of deference to rank-and-file House Republicans who are involved in the talks, he would ask Speaker Nancy Pelosi not to call for an immediate attempt to override a veto. Whether it succeeded or not, such a vote would only add to the political discomfort of GOP lawmakers who have supported the president so far on the issue, but may eventually part company with him. As part of the negotiations, House Republicans presented a proposal several days ago that requires a 90-percent signup rate for the poorest eligible children before a state can expand coverage. According to a description of the proposal made available to The Associated Press, no adults could be covered beginning Oct. 1, 2008, except for pregnant women, although any adults currently receiving benefits could be transferred to Medicaid. All applicants would be required to stipulate that family assets did not exceed \$1 million. Anyone seeking coverage would have to provide a birth certificate as proof of citizenship, a provision designed to bar illegal immigrants from receiving benefits. The proposal from House Republicans made no mention of the tobacco tax increase. The legislation that passed the Senate drew the support of 45 Democrats, 17 Republicans and two independents. All 30 votes in opposition were cast by Republicans.

Source: The Associated Press, 11/1/07.

UNLIKELY ALLIANCE TAKING SHAPE ON HEALTH CARE

The leading small-business organization, a lobbying juggernaut that helped kill President Clinton's health plan in the 1990s, has announced that it is signing up with a diverse political coalition promoting access to affordable healthcare for all. The National Federation of Independent Business will join AARP, the Service Employees International Union and the Business Roundtable -- which represents chief executives of major companies -- in an umbrella group called Divided We Fail. The effort is aimed at ensuring that healthcare and retirement security are at the top of the presidential candidates' domestic agendas next year. The strange bedfellows are trying to forestall the kind of political polarization that doomed Clinton's healthcare plan, as well as President Bush's effort to overhaul Social Security. "What is missing right now is not policy ideas," said Bill Novelli, CEO of AARP, the senior lobby. "There are lots of policy ideas. What is missing right now is political will."

The new alliance does not mean that its members are united behind one specific approach to healthcare reform; significant disagreements still divide them. But they do appear to agree on the need for action and -- with opinion polls showing widespread support for change -- they see their alliance as a vehicle for assuring that its members will have a role in formulating new policies. "Access to affordable health insurance is the No. 1, No. 2 and No. 3 issue for small business across the United States," said Todd Stottlemeyer, president of the National Federation of Independent Business. "For us not to be at the table in any serious conversations makes no sense. There really can't be a national debate about healthcare unless small business has a seat at the table."

The NFIB and AARP were on opposite sides of the hard-fought healthcare reform debate of 1993-94. The small-business group, with about 350,000 members and representatives in practically every congressional district, proved to be one of the more formidable adversaries of the Clinton plan. Its members were particularly incensed over a proposal that would have required most employers to contribute to the cost of coverage. An estimated 60% of the 47 million uninsured people in the United States are small-business employees, owners and their family members. The NFIB still opposes efforts to compel employers to pay for coverage, but Stottlemeyer said the group's members are alarmed that healthcare costs have only become more onerous and unpredictable since the collapse of the 1990s effort.

Sen. Hillary Rodham Clinton (D-NY), who as first lady played a lead role in developing and advocating her husband's plan, has also shifted ground. Her plan as a Democratic presidential candidate would require individuals to get coverage, with government assistance for those who can't afford the entire cost. Large employers would have to contribute to the cost of workers' coverage, but companies with 25 employees or fewer would get incentives in the form of tax credits to offer health coverage or maintain an existing plan. Stottlemeyer said the small-business group would bring to the table a strong emphasis on personal responsibility and controlling costs, as well as preference for market-based solutions instead of government programs. The latter position could put it at odds with coalition partners AARP and SEIU. "If we get down to the point of disagreement, we'll arm-wrestle later," said AARP's Novelli.

Source: The Associated Press, 11/2/07.

NUMBER OF UNINSURED VETERANS CONTINUES TO CLIMB

The number of uninsured veterans jumped sharply in the first half of the decade to 1.8 million in 2004, a new study shows. Conducted by researchers at the Harvard Medical School, the study shows the uninsured veteran population rose twice as fast as the uninsured in the general population. The increase in veterans lacking insurance coincides with Bush administration policies aimed at limiting the number of veterans eligible for coverage from the Department of Veterans Affairs, according to the study published online Tuesday in the *American Journal of Public Health*.

In 2002, the administration stopped marketing veterans' health care and, in January 2003, cut off access to future veterans earning more than \$30,000 to \$35,000 annually on average. Both times, VA officials cited budgetary constraints and backlogs of untreated patients. Only a minority of veterans — those disabled by military service — are automatically eligible for VA care, the study says. Coverage continues for veterans already enrolled, poor veterans, Purple Heart recipients and former prisoners of war. "Most uninsured veterans are low- to middle-income workers who may be too poor to afford private coverage but are not poor enough to qualify for Medicaid for Medicaid or free VA care," the study says. VA officials declined to comment on the study, but released a 2004 memo that said "outreach activities" aimed at homeless and Persian Gulf War veterans were not interrupted. Researchers found that after the Veterans Eligibility Reform Act of 1996 expanded VA health care coverage to veterans, the percentage who were uninsured declined to just less than 10%, or about 1.5 million veterans, in 2000. The administration's 2008 budget for VA health care contains a \$5 billion increase to \$36.6 billion.

Source: Newswire, 11/1/07.

NATION'S HEALTH CARE SYSTEM UNREADY FOR TERROR

The nation's public health system is not prepared to handle the mass casualties that would result from an act of terrorism, according to a study released this past week. PricewaterhouseCoopers' Health Research Institute, a New York think tank that provides advice to doctors and hospitals, found that funds are insufficient to develop an effective response to a disaster. "We tend to think of such large-scale disasters as one-off events, yet a major disaster has occurred every week on average in the U.S. for the past 10 years," said Carter Pate, global and U.S. managing partner of health industries and government services at PricewaterhouseCoopers. "The American public is relying on a fragmented medical system to miraculously mount a swift, well-orchestrated response. Until further planning takes place, we should not be surprised if the system fails next time."

In the six years since the September 11, 2001 terror attacks, Congress spent \$7.7 billion on disaster-preparedness initiatives by public health agencies. Those funds aren't just shrinking, they are going in the wrong direction, according to the report. Specifically, hospital preparedness funding has declined steadily — dropping to \$766 million in 2006 from more than \$850 million in 2005 — while funding for the national stockpile of emergency medicines doubled to about \$620 million in 2007. Current funding levels allow eligible hospitals to receive federal grants of up to \$82,500 this year. Hospitals that receive the money are expected to arrange a communications system, a bed-tracking system and an evacuation plan, among other requirements. But hospital officials responding to the report said bringing their facilities into compliance with federal standards linked to the grants is too difficult.

"We had been in a mode of ramping up our preparedness capabilities. States and localities had purchased a lot of equipment and supplies. Now with funding levels going down, we're looking at funding shifting into sustainment mode," said Melissa Sanders, leader of health care systems preparedness at the Department of Homeland Security.

Source: The Washington Times, 10/31/07.

Of Physician Interest

MEDICARE ISSUES RATE CUT FOR PHYSICIANS

Physicians who treat the elderly and disabled will face a 10 percent cut in their reimbursement rates from Medicare next year under a federal rule issued Thursday, November 1. The rate cut was widely expected. It's based on a formula that takes into account spending growth. If spending growth for physician services exceeds projections, the formula dictates lower reimbursement rates. Similar cuts have been proposed every year since 2002, but Congress has stepped in every year except one to avoid them. Physician groups warn that if lawmakers fail to step in again, many in their ranks will quit taking new Medicare patients. However, paying the doctors more next year will require that lawmakers squeeze billions of dollars from other federal programs. The American Medical Association has called on Congress to reduce payments to private insurance companies that cover beneficiaries through the Medicare Advantage program, but the insurers say such cuts would reduce benefits for millions of participants.

Physician lobbyists say their concerns are justified by the rapidly diminishing number of days on the calendar this year and the concerted efforts of other healthcare interests at slowing or stopping the bill. Congress has failed once before to pass Medicare-payment legislation before the end of the year, in 2002. Moreover, one physician lobbyist said, lobbyists haven't seen anything in writing they can assess, even though the physician community has seen progress in the Senate and a commitment from Finance Committee Republicans to work with the majority to get something in place as talks have been taking place.

Negotiations in the Finance Committee on Medicare have advanced beyond staff-only meetings to face-to-face exchanges between panel members, but an agreement on a framework has been elusive. Committee Democrats and Republicans have not even settled on whether to proceed under regular order and hold a markup, lobbyists said. Democratic Chairman Max Baucus has indicated that he wants to draft a two-year fix to the payment cuts, while ranking member Chuck Grassley (R-Iowa) has signaled that a less costly one-year solution would be more palatable to committee Republicans. Finance Committee members also are divided on how to offset the fix, which could cost up to \$20 billion. Congressional Democrats have been eager to make deeper cuts to private health insurance plans in Medicare Advantage but have met with stiff GOP resistance.

In addition, drafting a physician payment fix has been complicated by lobbying efforts on behalf of health insurers, oxygen-supply companies, nursing homes, power-wheelchair makers, kidney dialysis providers and others seeking to prevent their industries from being made to foot the bill. "Everybody else would just as soon a package not be put together," a physician lobbyist said, adding that these groups would be content to "run out the clock" to preserve their own Medicare funding. Offsets also could be needed to cover a new Medicare bill other than a physician payment fix. The Senate Finance Committee is said to be weighing a substantial rural healthcare package, while both Baucus and Grassley have introduced legislation to enhance the Medicare prescription drug benefit. For now, the House is waiting for the Senate to act. In August, the House passed a \$20 billion physician payment fix as part of its combined SCHIP-Medicare bill. House Democratic aides indicated that the lower chamber doesn't plan to revisit its Medicare legislation until it sees what the Senate devises.

Source: The Associated Press; The Hill, 11/1/07.

Of Regional Interest

LOUISIANA

Two New Orleans Clinics Outspend on Patient Care. Two New Orleans primary-care centers that have received millions in federal money to provide basic medical services to low-income residents spent twice as much per patient last year as most other federally sponsored clinics in Louisiana, a USA TODAY analysis shows. The health centers, Excelth Inc. and the City of New Orleans Department of Health, are the only federally funded primary-care centers in a city where 100,000 people — about one of every seven — are uninsured and another 150,000 are covered by Medicaid. Until Hurricane Katrina struck two years ago, most of those patients would have sought care in the city's fabled "Big Charity" hospital and its 150 clinics, which handled a crush of 350,000 outpatient visits annually. But those clinics, mostly defunct, were largely centralized downtown. Today, health officials view an extended network of community clinics as critical to the future of the city's health system. Excelth last year spent \$2.14 million to care for 4,666 patients. That comes to \$460.16 per patient, compared with the statewide average of \$165.44. The City of New Orleans Department of Health got \$877,669 and provided medical services to 2,072 patients, most of them homeless, for \$423.59 each. Federal officials say Katrina dealt a big blow to the two health clinics, wrecking their facilities and scattering patients. Excelth's performance fell off so much after Katrina that the government considered decreasing funding. "We decided to give them a break," says Jim Macrae of the U.S. Health Resources and Services Administration. The clinic won a reprieve because it drew up "reasonable plans to get back up to speed." Excelth director Mike Andry says per-patient spending rose last year because the clinic was rebuilding and had fewer patients. The clinic has three sites, he says. In May, despite its challenges, the federal government approved \$920,833 for Excelth to open a fourth site and \$354,013 to expand an existing site. Next year, Excelth's grant cycle ends, which would allow other health centers to compete with it, Macrae says. The agency also has issued an invitation for other centers to operate alongside Excelth. Although Macrae says the selection process is "truly competitive," other officials say the agency has been reluctant to finance competing health centers in a given area. David Hood of the Public Affairs Research Council of Louisiana blames Louisiana's low national ranking for the health of its population on the lack of primary care. "Thirty percent of the population doesn't have ready access to primary care," he says.

Source: New Orleans Times Picayune, 10/31/07.

TEXAS

Campaign Wants to Add 92,000 Children to SCHIP. State Rep. Helen Giddings and a band of Dallas County officials launched a campaign Thursday to find 92,000 Texas children to fill in the ranks of the state's Children's Health Insurance Program, or CHIP. Surrounded by elected officials, leaders of local school districts and business representatives, Ms. Giddings, a Dallas Democrat, implored parents to enroll their children in the state-federal program. "The goal is to enroll all the eligible children in the area in CHIP," said Ms. Giddings in announcing the "Insure Every Kid" effort at the African American Museum at Fair Park.

The Texas Legislature expanded CHIP by 127,000 children in the last session and removed some of the controversial restrictions previously imposed on the program. A family of four with a gross income of up to \$41,300 would qualify for CHIP assistance. Recent changes to CHIP could expand enrollment, such as eliminating a 90-day waiting period for most children, increasing the asset limit from \$5,000 to \$10,000 per household and increasing the allowed value of a family vehicle. Last month, more than 336,000 Texas children were enrolled in the program, about 39,000 of them in Dallas County. By comparison, more than 500,000 Texas children were covered in 2003, the year the state cut the program to help bridge a budget shortfall.

Source: Dallas Morning News, 11/1/07.

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