



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 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.

Putting Care Within Reach:

As one of the largest Catholic health care systems in the United States and because of our solid reputation among policymakers at all levels of government, CHRISTUS Health is uniquely positioned to lead in the effort to achieve meaningful and significant health care reform for this nation. Our efforts will be targeted at achieving objectives in support of the goal of universal coverage, and will include continuing to build effective relationships with legislators and members of the new Obama administration, equipping CHRISTUS leadership and associates with the tools needed to engage and participate in this important national debate, and working to build consensus and collaboration among other health care providers.

The national political scene promises change in 2009 and early indicators are that it will be a favorable time in which to work to achieve our goals. However, there remain significant challenges that CHRISTUS will work to help overcome as a primary feature of our campaign of “**Putting Care Within Reach.**” Success will require a profound commitment at every level of CHRISTUS Health, as we all work together in our individual communities and on a system-wide basis to promote a message of hope, change, and quality health care for every American.

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CONGRESSIONAL FORUM ON HEALTH CARE

A special health care reform roundtable was held this week at CHRISTUS Schumpert in Shreveport, CHRISTUS St. Joseph's in Monroe, and CHRISTUS St. Francis Cabrini in Alexandria, co-hosted by United States Representatives Rodney Alexander and John Fleming. Other participants included Julie Trocchio, senior director of community benefits and continuing care for the Catholic Health Association; Peter Maddox, senior vice president of Christus Health; Mike Reitz, president and CEO of Blue Cross Blue Shield of Louisiana; Willie White, executive director of David Raines Center; and Dr. Terry Davis, of LSU Health Sciences Center.

Most people involved in the health care debate agree that the keys to saving costs and having better outcomes are a patient-centered home, primary care prevention and early diagnosis, said Fleming, who endorses a private system to achieve those goals. "We have to take down barriers today to allow providers to coalesce into competing groups," he said. "We need to convert patients into consumers so they can make wise choices." Furthermore, many panelists agreed that preventive and primary health care would go a long way to reducing costs and creating a healthier population.

Another problem identified in Thursday's forum centered on the problem of health care illiteracy. Terry Davis, a professor of medicine and pediatrics at LSU Health Sciences Center, presented a study titled "*Health Literacy Is Essential to Healthcare Reform*." Millions of Americans have trouble reading and understanding labels on prescriptions and over-the-counter medication, she said. "Ninety million Americans lack the skills to understand health information," she said. "This costs us billions, mostly in increased and unnecessary hospitalization and ER use."

The discussion also focused on cost reductions. Peter Maddox pointed out to those gathered that if a universal health care system is adopted, costs would likely decrease over time. There will be a spike in costs in the first three to five years, but they will come down gradually, he added. Rep. Fleming agreed with this assessment, but added his belief that if the system is run by the government, costs would go up unless spending limits are imposed. The challenge then becomes one of rationing care.

Panelists were also asked to discuss the problem of senior citizens not being able to find primary care physicians because of Medicare and Medicaid. That problem could be solved if primary care physicians were paid more, Fleming said. Many doctors are under-reimbursed for Medicare and Medicaid claims, causing many of them to limit the number of patients they treat under those plans. The panel then turned its attention to the working poor, who can't afford private health insurance. Fleming said there is a "notch" effect happening at many workplaces, where people are refusing promotions because it would put them at an income higher than the threshold to qualify for Medicaid. The answer would be to create a sliding scale where subsidies would be given depending on income, instead of going from 100 percent covered to nothing at all, he said.

U.S. Rep. Rodney Alexander, R-Quitman, voiced his support for health-care reform, but he tempered the support with concerns for individual responsibility and the problem of poverty at home in his 5th Congressional District. With some lawmakers calling for a system that would provide insurance to every citizen, Alexander expressed wariness about how that would be achieved. "We need to do a better job of educating about health care," Alexander said. "There are still 100,000 children in Louisiana who are eligible for Children's Health Insurance Program, but they're still not covered. Why? Maybe it's because of ignorance. But it's a big problem. How far do we go to gather up the uninsured? We have to get the parents to care." Alexander said he also wanted any future legislation to provide health-care workers to what Alexander called the ninth poorest district in the nation. "I would like see more inducements to bring physicians to rural areas," Alexander said.

Source: *Shreveport Times, Monroe News-Star, 5/29/09.*

OUTLINE OF POSSIBLE HEALTH LEGISLATION CIRCULATING

Circulating in Washington is the outline of what may become sweeping health-care legislation that would require every American to have insurance and would mandate that employers contribute to workers' coverage. The plan in the summary document, provided by Democrats, closely resembles extensive changes enacted in Massachusetts three years ago, the home state of Sen. Edward Kennedy. In many respects it adopts the most liberal approaches to health reform being discussed in Washington. Kennedy, for example, embraces a proposal to create a government-sponsored insurance program to compete directly with existing private insurance plans, according to one senior adviser. The draft summary also calls for opening Medicaid to those whose incomes are 500 percent of the federal poverty level, or \$110,250 a year for a family of four.

President Obama, meanwhile, is urging his most loyal supporters to reactivate the grass-roots machine that helped elect him and direct it toward health-care reform. "If we don't get it done this year, we're not going to get it done," he said Thursday in a call to members of Organizing for America, the political group formed to advance his agenda. "And to do that we're going to need all of you to mobilize." A top administration official said the White House expects Kennedy to unveil his bill Monday. A timetable released by Kennedy's office calls for Democrats on the Senate health committee to meet Tuesday, with a bipartisan session scheduled for Friday. Committee markups could begin June 16.

Source: Washington Post, Associated Press, 5/29/09.

STUDY SHOWS INSURED ARE PAYING MORE FOR UNINSURED

Families with health insurance are paying an estimated \$1,017 more in annual premiums to compensate providers for healthcare to the uninsured, a report released this week said. The report by Families USA, a healthcare reform advocacy group, alleges that doctors, hospitals and other health providers try to recover the cost of uncompensated care by increasing charges for those with private insurance. The report said the cost shift was borne almost entirely by private insurers because rules in the Medicare health program for the elderly make it difficult for providers to pass on uncompensated care costs to that government program. The report is likely to be used by lawmakers to help them make the case for a far-reaching overhaul of the U.S. health industry aimed at containing soaring costs and expanding medical coverage to the uninsured. President Barack Obama has said he wants Congress to pass healthcare legislation by the end of the year.

"Ironically, as the cost of health insurance increases, more people find themselves unable to afford insurance," the report concluded. "As more people lose insurance, there are more people who can't pay all of their medical bills and a further cost shift to private premiums is required." The uninsured who sought treatment in 2008 received about \$116 billion in care, the study said. Of that, they paid for about 37 percent of the costs and government programs and charities paid for another 26 percent, the study said. The rest, about \$42.7 billion, was uncompensated care that was passed on to the insured in the form of higher prices for their care, according to the published report.

Source: Reuters News Service, 5/28/09.

ANTI-TRUST LAWS MAY POSE BARRIER TO HEALTH REFORM

Anti-trust lawyers say health providers, insurance companies and drug makers will be running huge legal risks if they get together and agree on a strategy to hold down prices and reduce the growth of health spending. Robert F. Leibenluft, a former official at the Federal Trade Commission, said, “Any agreement among competitors with regard to prices or price increases — even if they set a maximum — would raise legal concerns.” Already, some leaders of the health care industry who appeared at the White House on May 11 say the president may have overstated their cost-control commitment. Three days after the gathering, hospital executives said that they had agreed to help save \$2 trillion by gradually slowing the growth of health spending, but that they did not commit to cutting the growth rate by 1.5 percentage points each year for 10 years. White House officials say even the more limited commitment is significant. Under current law, federal officials predict that health spending will grow an average of 6.2 percent a year, to \$4.4 trillion in 2018.

Mr. Obama is asking the industry for detailed proposals to control costs. But so far the administration has not offered the industry any relief from antitrust laws and has, in fact, vowed to step up enforcement. As a presidential candidate, Mr. Obama said consumers had suffered because of “lax enforcement” of antitrust laws in many health insurance markets. In 1993, when President Clinton made the last major effort to overhaul the health care system, the lobby for the drug industry, then known as the Pharmaceutical Manufacturers Association, devised a voluntary cost-control plan. Under it, each drug company offered to limit the annual increase in the average price of its prescription drug products to the increase in the Consumer Price Index. The Justice Department rejected the proposal, saying it would violate antitrust laws. In blocking the proposal, the department said the United States Supreme Court made clear that agreements setting maximum prices were just as illegal as agreements that set minimum ones. Also, in 1978, hospitals also asked the Justice Department for an assurance they would not be charged with antitrust violations when they undertook a “voluntary effort” to curb costs as an alternative to legislation proposed by President Carter. The department would not provide such an assurance.

Many savings now envisioned by the health care industry would require much closer cooperation by independent doctors and hospitals, taking them into a gray area of the law where federal agencies have not provided clear guidance. In a recent letter to the Senate Finance Committee, the American Hospital Association said uncertainty about enforcement of the antitrust laws “makes it difficult for a hospital and doctors to collaborate to improve care” and lower costs. Doctors often want to collaborate and share information about prices without sharing financial risk or fully merging their office practices. The American Medical Association has asked Congress to revise antitrust laws so doctors can collectively negotiate with insurers over fees and other issues.

The Federal Trade Commission has repeatedly challenged such collective action as illegal price-fixing, even though doctors say they are at a severe disadvantage in trying to negotiate with giant insurance companies. The FTC says that while cooperation among health care providers can benefit consumers, it can also increase the bargaining power of hospitals and doctors, making it easier for them to set prices and eliminate competition.

Source: The Associated Press, 5/28/09.

NEW RULES IMPACT STEM CELL RESEARCH

When President Obama lifted restrictions on federal funding of human embryonic stem cell research in March, many scientists hailed the move as a long-awaited boost for one of the most promising fields of medical research. Since then, however, many proponents have concluded that the plan could have the opposite effect, putting off-limits for federal support much of the research underway, including work that the Bush administration endorsed. “We’re very concerned,” said Amy Comstock Rick, chief executive of the Coalition for the Advancement of Medical Research, which has been leading the effort to free up more federal funding for stem

cell research. "If they don't change this, very little current research would be eligible. It's a huge issue." The concern focuses on strict new ethics criteria that the National Institutes of Health has proposed. Advocates of stem cell research say that most of the work currently underway passed close ethical scrutiny but that the procedures varied and usually did not match the details specified in the proposed new guidelines. Critics of embryonic stem cell research remain opposed to any expansion of federal funding, but they add that an attempt to relax the proposed standards would undermine the administration's assertion that it is applying tough ethical standards. "Accepting these lines, obtained in ways that do not comply with the new guidelines, would render meaningless any claim that NIH is setting and enforcing strict 'ethical' requirements," said Richard M. Doerflinger of the U.S. Conference of Catholic Bishops.

Embryonic stem cells are capable of becoming virtually any cell in the body, and many scientists think they could lead to treatments for many major medical problems. But the research has been mired in controversy because the cells are obtained by destroying embryos. To avoid encouraging the destruction of more embryos, President George W. Bush in 2001 restricted federal funding to what turned out to be 21 colonies, or "lines," of stem cells that were already growing in laboratories. Critics charged that the existing lines had many limitations and that the funding restrictions severely hindered the field. So, in the ensuing eight years, scientists created hundreds of new lines using money from private sources or state governments.

Source: Washington Post, 5/28/09.

Of Physician Interest

POOR ECONOMY MAKES PHYSICIANS LESS LIKELY TO LEAVE PRACTICES

The nation's economic situation means physicians are staying at their current jobs and retirement is moving further into the future, but the need to juggle the demands of family life with a job remains a significant determinant as to whether a doctor stays with a practice, according to a report recently released by Cejka Search, a St. Louis-based medical recruitment company, and the American Medical Group Association. Last year, researchers e-mailed surveys to 342 AMGA member medical groups. Fifty across the country from urban, suburban and rural areas responded. The practices represented a total of 9,985 physicians. In 2008, 6.1% of physicians left a practice, a decrease from 6.7% in 2006. Most, 73%, separated voluntarily. Another 14% were terminated, 11% retired and 2% died. Of those who left of their own volition, 50% said the practice was a poor cultural fit, and 32% moved to be closer to their families. Approximately 22% sought communities that better suited them, and 18% left because their spouse's job moved. In addition, 8% exited because of incompatible work schedules, and 6% left because of excessive call requirements. The survey found that factors related to work-life balance may be playing a significant role in making women younger than 39 and working part time, significantly more likely to leave a practice than their male counterparts. The strategies used to recruit and retain physicians, however, do not yet address work-life balance issues. In hopes of keeping physicians on staff and attracting new ones, 96% of practices offered relocation assistance and 94% guaranteed income. In addition, 71% provided signing bonuses, and 68% offered liability insurance tail coverage. Around 26% provided education loan forgiveness. But none mentioned anything related to assisting with work-life balance. Of survey respondents, 62% believed that physicians were delaying retirement because of the economy, but 73% of practices allowed pre-retirement physicians to reduce hours. In addition, 56% allowed for these doctors not to be on-call, and 20% allowed for specialization to select patient groups. Other options included extending vacations up to several months and modifying job descriptions. Keeping competent older physicians in practice has been mentioned as one possible solution to health care work-force shortages. The American Medical Association's Senior Physicians Group, the Advisory Committee on Group Practice Physicians and the Organized Medical Staff Section will host an education program, "Keeping Senior Physicians in Practice: Issues of Competency, Recertification and the Value of Experience," June 13 in conjunction with the AMA's Annual Meeting in Chicago.

Source: American Medical Association, 5/28/09.

Of Regional Interest

ARKANSAS

New Law Aids Disaster Relief. State Rep. John Edwards, as a colonel with the Arkansas National Guard, saw firsthand confusion among medical professionals and government officials amid a natural disaster. His unit was dispatched to New Orleans after Hurricane Katrina struck in 2005 to help organize relief efforts at the convention center. Act 432 of 2009, sponsored by Edwards, sets up ways for health professionals - whether in or out of state - to ask to be placed on a registry of officially recognized volunteers during times of natural disaster in Arkansas. Edwards said the law will help the state better coordinate its relief efforts if a natural disaster occurs here. The state shouldn't assume that the Federal Emergency Management Agency will take care of organizing volunteers, he said. The bill also gives incentives for doctors, nurses and veterinarians to add their names to the registry. It sets up a civil-liability exemption if the health volunteer receives no more than \$500 in compensation for services while volunteering during a declared emergency. It also covers volunteers under the state's workers' compensation system. They would be considered state employees and would receive benefits if injured during an emergency. The legislation was initiated by the Uniform Law Commission, a national group that pushes for each state to pass similar laws on certain issues, such as this one. Edwards' bill passed without a dissenting vote, and there was little debate.

Source: Arkansas Democrat-Gazette, 5/28/09.

LOUISIANA

Health Executives Blast Budget Cuts. Hospital and ambulance company interests decried Gov. Bobby Jindal's proposed budget cuts this week, saying they would hurt health care for Louisiana residents and trigger employee layoffs detrimental to the state economy. "This is not the story of the boy who cried wolf," said John Matessino, president of the Louisiana Hospital Association. "This is reality." Hospitals are facing \$200 million in state budget cuts in reimbursement for care they deliver to the state's poor through the Medicaid health insurance program. Also, ambulance companies estimate a \$3.6 million reduction if cuts in Jindal's \$28 billion proposed state budget for the fiscal year beginning July 1 go unchanged. The health-care provider groups held a State Capitol news conference to lay out their plight as the Senate Finance Committee continues budget hearings. The budget ax fell heaviest on health care and higher education as the Jindal administration developed a plan to finance state government operations with a \$1.3 billion decline in state revenue. Matessino said the state continues to expect hospitals to provide services 24-hours-a-day, seven days a week and to be prepared for hurricanes and swine flu outbreaks. But the proposed budget does not provide financial stability to do all that, he said. In addition, the health-care industry is the largest employer in Louisiana with a \$7.8 billion payroll and more than 250,000 employees, said Paul Salles, chief executive officer of the Metropolitan Hospital Council of New Orleans. Salles said the proposed cuts will lead to the elimination of 3,700 hospital jobs alone across the state. "This number only includes people related to hospitals, not ambulances, nursing homes, home health agencies and other health-care providers," he said. "There will be a substantial negative impact on the Louisiana economy," Salles said. Salles said hospitals are already underpaid by \$150 million on the health care they deliver today for Medicaid patients. "The burden leads to high health-care costs for business and individuals through cost-shifting" as those who have insurance pay more, he said. Dionne Viator, senior vice president of Baton Rouge General Medical Center, said the health-care cuts would have a \$6 million impact on the General. She said Lafayette General would take a \$5 million hit and Christus Schumpert in Shreveport will receive an \$8 million reduction.

Source: The Advocate, 5/29/09.

NEW MEXICO

State Jobless Rate Dips. New Mexico's seasonally adjusted unemployment rate was 5.8 percent in April, a slight drop from the 5.9 percent in March but higher than the 3.9 percent jobless rate of April 2008. Last month's national unemployment rate was 8.9 percent. The labor department says New Mexico lost 22,600 jobs between April 2008 and April 2009 - the worst performance since 1954. Only two of 13 industries posted any job growth since last year. Most of those gains came in government employment, which increased by 3,100 jobs, many of them at tribal casinos or as census workers joining the federal payroll in preparation for next year's census. The education and health care services industry also increased its jobs, with health care adding 2,600 and private educational services adding 300.

Source: Associated Press, 5/28/09.

OKLAHOMA

Health Program Gets Bipartisan Boost. It's taken a few years for Oklahoma's Republican legislative leadership to embrace an innovative program conceived by the state's Democratic governor for reducing the number of Oklahomans who don't have health insurance. However, GOP lawmakers have finally come around to support Gov. Brad Henry's Insure Oklahoma premium assistance program in a bipartisan coalition that is working to address an issue that concerns Republicans and Democrats alike: health care. Last week, Henry signed Republican-backed legislation designed to enhance Insure Oklahoma, originally enacted in 2004 to help small businesses provide health care coverage for their low- and middle-income employees and reduce the state's estimated 619,000 uninsured residents. Funded by revenue from the state's tobacco tax and federal matching dollars, the public-private partnership has enrolled more than 18,000 Oklahomans in employee-sponsored or individual health insurance plans and is signing up new participants at the rate of about 1,000 a month. GOP lawmakers, some of whom were only lukewarm about Insure Oklahoma when it first was proposed, now say it has gained national notoriety and is being used as a model by other states that are developing their own premium assistance plans. They say the improvements they proposed will help increase enrollment and make health insurance more accessible while reducing the cost of health insurance plans.

Source: Forbes, 5/28/09.

TEXAS

Lawmakers Fail to Salvage SCHIP Bill. Lawmakers entered the final stretch of the 81st Legislature Thursday still struggling to avoid a special session on windstorm insurance — while also trying in vain to salvage expansion of health care for low-income Texas children. Gov. Rick Perry suggested Thursday that he might veto the Children's Health Insurance Program bill, assuming it survived the legislative maze necessary to reach his desk. The bill would make available subsidized health insurance for an additional 80,000 Texas children by raising eligibility for CHIP to 300 percent of poverty, or a maximum income of \$66,540 a year for a family of four. "I would probably not be in favor of that expansion, even if it came to my desk. The members know that," Perry said. "That's not what I consider to be a piece of legislation that has the vast support of the people of Texas." CHIP and windstorm insurance reform were among hundreds of measures killed earlier this week by an extended House debate of minor bills to avoid controversial voter identification legislation. The Senate worked until about 3 a.m. Thursday reviving many of the dead bills, like CHIP, by putting them on other bills as amendments. Then late Thursday, the House sent the bill back to the Senate, claiming the CHIP provision to revive the amendment was not germane, all but killing it. Lt. Gov. David Dewhurst said he believes there may be ways to resurrect the measure one more time, if the House will agree by a two-thirds vote.

“We have the money in the budget for CHIP,” Dewhurst said. The program is expected to cost the state \$43.2 million over the next two years, but draw in 72 cents in federal money for every dollar spent. Perry has told lawmakers he will call a special legislative session if the windstorm insurance bill does not pass. The governor, whose political fund has received \$205,000 from the insurance industry since he took office, declared the windstorm insurance reform an emergency item in 2007 and again this year.

Source: Houston Chronicle, 5/29/09.

UTAH

Special Session Focuses on Money. Utah lawmakers passed seven bills last week in a special session called to fix various problems in the current and upcoming state budgets. There was no controversy over what Senate President Michael Waddoups, R-Taylorsville, described as "technical although important" amendments to the budget and three other laws. Legislative leaders said they hope they won't need another special session to deal with further budget shortfalls later this year. A new Tax Commission report released recently showed revenues for this year are down 12 percent in the general and education funds from estimates made just last February. And tax revenues in the state transportation fund are down 9 percent, the new report shows. Although lawmakers raised only vehicle registration fees last session, there is still talk of boosting the state tax on cigarettes, now about 70 cents a pack. Hillyard said a 50-cent increase per pack would only raise \$30 million, nowhere near enough to cover the anticipated shortfall from using \$450 million in one-time money to plug holes in next year's budget. Legislators put \$6.5 million more into Medicaid funds for hospitals. After the 2009 session ended in March, hospital bosses began complaining they were taking a 20 percent cut in state and federal funds, more than anticipated. Hospitals, said Sen. Steve Urquhart, R-St. George, are "losing more and more money even under the best case scenario we can present under Medicaid." House budget chairman Ron Bigelow, R-West Valley, told a House GOP caucus that instead of taking a 20 percent cut, hospitals would have to take a 15 percent cut, similar to cuts made to other state programs due to the slouching Utah economy and drop in tax revenues. Bigelow said 10,000 poor Utahns have come onto Medicaid rolls in just one month.

Source: Deseret News, 5/21/09.

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