



Access to Health Care News Update – 10.1.07

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(Note: Access to Health Care related materials highlighted in **RED** in longer sections for quick reading)

Buy a Little Insurance Now, Load Up Later

Wall Street Journal Health Blog, 9.14.07 (Posted by Jacob Goldstein)

The new new thing in health insurance: Buy an inexpensive, limited-benefit policy for starters. Then beef it up after, God forbid, you get really sick or badly injured.

American Community Mutual Insurance is rolling the model out today in Texas, and plans to introduce it in more than a dozen other states in the next year, the WSJ reports. It'll be called "Coverage on Demand" in Texas and "Pay-As-You-Go" in other states. The company will be pushing it for 19-34 year-olds, who don't tend to need much care, and expects that less than 70 cents of every premium dollar will go toward medical care.

The names of the plans — "Tempo," "Rhythm," "Groove" — suggest an old-line company trying hard, perhaps a little too hard, to come up with something hip to court the younger generation. The company's description of "Tempo" is here: If you're a healthy 25-year-old man in Dallas, the limited-benefit plans would cost less than \$100 a month and cap your benefit at between \$1,000 and \$5,000 a year. But buying the basic plan also gives you the option to buy a larger insurance plan when things get rough. In that case, you'd pay a lump sum of about \$10,000 and get a plan with a benefit cap of \$5 million.

The two-tiered approach combines limited forms of insurance that some have been turning to as fat, employer-sponsored health-care plans become harder to come by: mini-medical plans, which offer only limited coverage, and catastrophic insurance, which doesn't offer much in the way of basic care but might keep you out of bankruptcy if you get really sick.

Hillary Clinton Takes Aim At Health Insurers

Wall Street Journal Health Blog, 9.13.07 (Posted by Jacob Goldstein)

Hillary Clinton was burned once by a failed effort at health-care reform, and she has yet to unroll a comprehensive health plan like those laid out by her main rivals, John Edwards and Barack Obama, for the Democratic presidential nomination.

But last night, in an online forum for Democratic candidates, she said she has a plan to cover everyone — and suggested insurance companies might not like it. Here's the money quote:

You know, nobody is going to be surprised when I unroll my coverage plan that I intend to dramatically rein in the influence of the insurance companies, because frankly I think that they have worked to the detriment of our economy and of our health-care system.

That comment fired up the newswires, and Clinton said she'll elaborate in a speech next Monday. She also acknowledged her previous failure to remake health care but added that "the problems of the uninsured and the underinsured, the pressures on doctors and nurses and hospitals, the loss of jobs with employers struggling to maintain health insurance is all much worse than it was when we were trying to do this before."

The forum was sponsored by Slate, Yahoo and the Huffington Post.

Cancer Society's Ad Dollars Focus on Insurance

NPR All Things Considered, 9.15.07 Listen: <http://www.npr.org/templates/story/story.php?storyId=14447243>

The American Cancer Society usually devotes millions in advertising dollars to anti-smoking advertisements or toward encouraging people to get mammograms.

But this year, the organization is spending all of those funds to draw attention to the plight of Americans who lack health insurance.

American Cancer Society CEO John Seffrin talks to Noah Adams about the decision.

Presidential Candidates Tout Health Care Plans

NPR All Things Considered, 9.16.07 Listen: <http://www.npr.org/templates/story/story.php?storyId=14458395>

With 47 million Americans uninsured, health care is sure to be a major issue on the campaign trail. In addition, contract talks going on between the United Auto Workers and General Motors hinge on retired workers' benefits. Sen. Hillary Clinton plans to roll out her health care plan on Monday.

Bob Laszewski, a health policy consultant, talks about the candidates' plans for solving the health care crisis with Noah Adams.

Kids' Health Deal Means No Extra Medicare Money for Docs

Wall Street Journal Health Blog – 9.17.07 (Posted by Jacob Goldstein)

The House and Senate have cut a deal on an expansion to the State Children's Health Insurance Program, or SCHIP. From the sound of [this](#) story in the New York Times, the House has basically agreed to support the less sweeping (but still plenty ambitious) bill passed by the Senate.

President Bush has repeatedly promised to [veto](#) the bill as an unwarranted expansion of government-funded health care, and a White House spokesman called the compromise bill "far away from legislation that we would find acceptable."

The bill, which would be funded by higher taxes on cigarettes, would provide \$60 billion over five years for the program. That's \$35 billion more than current spending levels, [\\$15 billion less](#) than the House had wanted, and \$30 billion more than Bush has proposed.

The original House bill also tinkered with Medicare, both blocking a 10% cut in Medicare reimbursements for doctors scheduled to take effect next year and cutting payments to private health plans. The compromise kids' health bill doesn't deal with Medicare at all. In the past few years, Congress has developed a habit of intervening at the 11th hour to [block planned cuts](#) in Medicare reimbursements to doctors, and there's still plenty of time for that to happen this year.

There's less time on kids' health insurance — the current program is set to expire at the end of the month, and several states won't have any money to keep insuring the kids in the program unless there's funding in place by October 1. "For health and moral reasons, Congress must pass and the president must sign a

reauthorization of the program by Sept. 30," the heads of the Democratic and Republican governors associations wrote last week in a letter to Congress, the Times reports.

Mayo Clinic Calls for Universal Coverage

Wall Street Journal Health Blog – 9.14.07 (Posted by Jacob Goldstein)

Make everybody in America buy health insurance, and give subsidies to help the poor afford it. Force insurance companies to offer some coverage to everyone, regardless of health status. And have everybody buy their insurance directly, rather than getting it through their employer.

Those are the broad outlines of a plan ([here](#)) created by the [Mayo Clinic's Health Policy Center](#) after consulting with hundreds of academics, patient activists and health-care providers in the last year and a half. The group also got input from executives at companies such as Wal-Mart and Verizon that are not part of the health-care industry.

The Mayo plan goes beyond insurance, recommending reforms in the way providers are paid (pay more for coordination of care, discourage overtreatment) and calling for more transparency (in things like pricing and outcomes). But at a moment when everyone's talking about the growing number of uninsured, and every presidential candidate is rolling out a plan to expand coverage, the insurance plan seems likely to cause a few ripples in the national discourse.

"Mayo's timing is pretty good," a Verizon executive who participated in the Mayo project [told](#) the New York Times. "Next year will be too late."

San Francisco Goes Universal on Health Care

Wall Street Journal Health Blog – 9.14.07 (Posted by Jacob Goldstein)

Another local effort to deliver complete health care to everybody is emerging, this time from [San Francisco](#). Later this year, the city will begin offering what it says will be a comprehensive care network for all city residents who have been uninsured for at least 90 days, the New York Times [reports](#).

Care will be free to those below the poverty line, with those who earn more paying quarterly fees between \$60 and \$675, depending on income, and co-payments of \$10 to \$20 for a clinic visit and \$200 to \$300 for a hospital stay.

Officials hope the projected \$200 million cost will be at least partly offset by getting more people in for regular care, preventing many of the expensive emergency room visits and hospital stays that the city already subsidizes for the poor and uninsured.

"We had a system that was not a system, and was based on episodic visits for chronic and acute care," Mitchell H. Katz, the city health director, told the Times. "The idea that you should come get a cholesterol test, that didn't happen."

The program doesn't cover residents when they leave the city. It's currently based at city and community clinics, but the city plans to bring private medical networks into the program next year.

A final legal hurdle remains. To discourage businesses from dropping private insurance, the city plans to begin requiring businesses with more than 20 workers to contribute a set amount for health care (the money can go to private insurance, health savings accounts, or the city's health plan). A local restaurant association is suing in federal court, arguing that the rule violates a federal law. There's a hearing scheduled for November. The city says it will go on with the health program, even if it loses in court and can't implement the rule.

Clinton Unveils Mandatory Health Care Insurance Plan

CNN 9.17.07

Democratic presidential candidate Sen. Hillary Clinton announced a \$110 billion health care reform plan Monday that would require all Americans to have health insurance.

"People are dying because they couldn't get the care they needed when they were sick," says Sen. Hillary Clinton.

Clinton unveiled her plan during a high-profile speech at a hospital in the key campaign state of Iowa, surrounded by supporters, American flags and campaign banners.

"I'm here today because I believe it is long past time that this nation had an answer," Clinton said. "I believe America is ready for change. **It's time to provide quality affordable health care for every American,**" Clinton said. "And I intend to be the president who accomplishes that goal finally for our country."

Under the plan, federal subsidies would be provided for those who are not able to afford insurance, and large businesses would be required to provide or help pay for their employees' insurance. Clinton said her plan would not require small businesses to take part but will offer tax credits to encourage them to do so.

About 46.6 million people in the United States were without health care insurance in 2005, including 8.3 million children, according to a U.S. Census Bureau report released last year.

- "I know my Republican opponents will try to equate this plan with government-run health care. Well don't let them fool you again," Clinton said, explaining that **her plan would allow participants to "keep the doctors you know and trust" while it would expand "personal choice" and keep costs down.**

Clinton's package would also **require insurers to provide coverage for anyone who applies for it and would also bar insurance companies from charging people with greater health care costs more for their premiums.**

As first lady in 1993 and 1994, Clinton spearheaded an effort that would have overhauled the provision of health care. Critics compared her plan to socialized medicine, and it was killed by opposition from special-interest groups -- including doctors and pharmaceutical companies.

Whither Employer-Based Health Insurance?

The Current and Future Role of U.S. Companies in the Provision and Financing of Health Insurance

The Commonwealth Fund – Brief – 9.17.07

http://www.commonwealthfund.org/publications/publications_show.htm?doc_id=522916&#doc522916

Overview

Americans under the age of 65 depend on employers for their health insurance coverage more than any other source. Despite mounting rhetoric that employer-based coverage is rapidly disintegrating, nearly all large firms in the United States continue to offer health benefits to their employees. But there are key weaknesses in employer-provided coverage. These weaknesses, exacerbated by rising health care costs, have fueled the relentless rise in the number of people without comprehensive health insurance—now 47 million people, not counting the estimated 16 million adults who are underinsured.

With the 2008 presidential election on the horizon, **health care reform has jumped to the top of the nation's domestic policy priorities.** Policymakers at the state level are taking the lead on expanding coverage, and presidential candidates and congressional leaders have unveiled proposals to expand coverage and improve quality and efficiency. This issue brief examines the central importance of employer coverage in our health system, and why it is imperative that employers join individuals, government, and other stakeholders in designing and contributing to a more equitable, rational, and high performing health care system.

Clinton health plan targets uninsured

McClatchy Newspapers – 9.18.07

DES MOINES, Iowa -- Hillary Rodham Clinton asked for a second chance Monday to get health care right, insisting that this time she'd be able to get Congress and the country to provide health insurance to the nation's uninsured.

"It's long past time that Americans and the richest of all countries realize that health care is a right and not a privilege," Clinton told a union meeting in Chicago. "I intend to be the president who accomplishes that goal finally for our country," she said later at a hospital in Des Moines, where she laid out the details of her plan.

The New York senator and Democratic presidential candidate would mandate that all Americans buy health insurance -- much as states require all drivers to have licenses. She would let the uninsured buy into two existing government insurance programs or buy private insurance, offer them financial help in paying premiums and help small businesses cover their employees. She would pay for the \$110-billion-a-year price tag by raising taxes on those making more than \$250,000 and by taxing companies that don't insure their employees.

"If you're one of tens of millions of Americans without coverage or if you don't like the coverage you have, you will have a choice of plans to pick from and you'll get tax credits to help pay for it. If you like the plan you have, you can keep it," she said.

Clinton, whose effort to enact universal health care during her husband's administration failed in 1994, was seeking to flesh out her credentials on what has become a threshold issue for Democratic voters. Her plan was similar to those already proposed by her most competitive rivals for the 2008 Democratic nomination.

Health Care Spending Highest in Northeast

Associated Press – 9.18.07

Staying healthy is a costly business in the United States, particularly in the Northeast, government statistics show.

Annual health care spending per person totaled \$6,409 in New England and \$6,151 in the rest of the Northeast, compared to a national average of \$5,283, the Centers for Medicare and Medicaid Services reports in Tuesday's issue of the journal Health Affairs.

The totals include spending on individual health care from all sources, including insurance, personal expenses, Medicare, Medicaid and other sources, for 2004, the most recent figures available.

Highest per capita spending was recorded in the District of Columbia, \$8,295, followed by Massachusetts, \$6,683; Maine, \$6,540; and New York, \$6,535.

"Most of these states have consistently had the highest spending over time," said report co-author Anne Martin, an economist with the CMS Office of the Actuary. "There is no one clear explanation, but there are several similar characteristics among these states."

For example, many of these states have high personal income, a high concentration of physicians and are among the states with the lowest rates of uninsured. On the other hand, health care spending was below the national average in the Southwest and Rocky Mountain regions, which also tend to have lower-than-average per enrollee Medicare and Medicaid spending and, because they are more rural, less access to physicians and hospitals.

The only state outside the Northeast where per capita health spending topped \$6,000 was Alaska at \$6,450. The lowest per person health care spending was \$3,972 in Utah. Nationally, per capita health spending increased on average 6.3 percent per year from 1998 to 2004, the report said.

Other findings included:

—Two states that have actively worked to improve health care had widely different spending patterns. California's per capita spending level was 12 percent below the national average at \$4,638 while Massachusetts was nearly 27 percent above the average. California had a below-average percentage of the population under age 65, an above-average share of the uninsured population, and a higher proportion of residents enrolled in health maintenance organizations in 2004, compared to Massachusetts.

—States with generous Medicaid programs also tended to have the highest spending, such as Massachusetts, New York and Maine.

—However, the number of people enrolled in Medicaid doesn't affect per capita spending levels. For example, New York and New Mexico have larger-than-average populations that receive Medicaid. New York was among the highest Medicaid spenders on health care while New Mexico was among the lowest.

—Florida has the highest percentage of residents over age 65 and the Sunshine State's Medicare spending per enrollee was among the highest in the nation, \$8,462, compared to the U.S. average of \$7,439. While Maine also has a higher-than-average proportion of elderly people, its Medicare per enrollee spending was among the lowest, \$6,015.

—Per capita spending on prescription drugs grew faster in 1998-2004 than in 1991-1998 everywhere except Colorado and the District of Columbia. The reasons for the faster growth are expanded prescription drug coverage, lower copayments, development of new drugs and expanded Medicaid and state-sponsored coverage for drugs.

Diabetics Try New Round-the-Clock Sensor

Associated Press – 9.17.07

WASHINGTON -- **Diabetes care is undergoing a transformation: Thousands of patients are switching from a few finger-pricks a day to track their disease to new sensors that keep guard around the clock.**

The last six months brought boosts to the technology, as federal health officials approved children's use of a sensor that works for three days in a row - and cleared the longest-lasting version yet, a seven-day model, for adults.

The ultimate goal is to create an "artificial pancreas," pairing such sensors with implanted pumps that would automatically dispense insulin to make a diabetic's blood sugar better resemble a healthy person's.

That's still years away. For now, **the hope is that these under-the-skin sensors will empower the most vulnerable patients - those who require insulin injections - to make changes that better control their disease. Perhaps more important, they come with alarms that can sound in time to avoid dangerously high or low blood-sugar levels.**

Wal-Mart Expands Health Benefits

Wall Street Journal Health Blog 9.19.07 (Posted by Jacob Goldstein)

Wal-Mart's taken plenty of heat for offering its employees health benefits that critics have called paltry. Yesterday the mega-retailer said it's beefing up benefits next year.

The cheapest plan will carry an employee cost \$8 a month or less, depending on location, a \$2,000 deductible and no lifetime maximum. **There will be some 50 ways employees can slice and dice their coverage, varying benefits, deductibles and premiums. And Wal-Mart employees will be able to get more than 2,000 generic drugs for a \$4 co-pay — a broader array of \$4 drugs than is offered to Wal-Mart customers.**

At the beginning of this year 47 percent of the company's 1.34 million employees in this country were enrolled in company coverage, up from 43% in 2005, the Washington Post reports. Many others get coverage from other places, such as through a spouse. About 10% of the company's employees are uninsured, according to the Post.

This morning's WSJ notes that the changes are likely to add to Wal-Mart's health-care costs, which have been climbing in recent years. A 2005 memo cited by the paper said the company's annual health-care costs rose 19% to \$1.5 billion between 2002 and 2005.

Wal-Mart Watch, a group that is critical of the company, said the new offerings "show signs of improvement." But Wal-Mart Watch also faulted the company for long waiting periods. Full-time employees must be at the company for six months, and part-timers for a year, before they're eligible for coverage.

Child Health Care Compromise May Still Face Veto Risk

Source: Cover the Uninsured, from New York Times, 9/16/07

House and Senate negotiators said on Sunday that they reached a tentative agreement on a framework for a compromise bill that would provide health insurance to 4 million uninsured children and relax some of the limits on eligibility imposed earlier this month by the Bush administration, reports the *New York Times*.

The draft compromise bill resembles the Senate version of State Children's Health Insurance Program (SCHIP) legislation that passed with bipartisan support, according to the *Times*. **Under the proposed compromise, SCHIP would receive an additional \$35 billion in funding over the next five years, bringing total spending on the program to \$60 billion. The additional funding would be paid for by an increase in the tobacco tax, which would be similar to the 61-cents-per-pack tax proposed in the Senate version of the legislation, according to the *Times*.**

Republicans, who will "come under political pressure to support the compromise," say that if President Bush vetoes the legislation, he will "probably have enough votes in the House to sustain his veto." The compromise legislation "is likely to roll back some of the new restrictions" introduced by the Bush administration last month "but would probably not eliminate all of them," the *Times* reports. While some details "have yet to be decided," Congressional aides predicted that Congress would approve the compromise before the program expires Sept. 30.

Health Insurance Premiums Increased by an Average of 6.1 Percent This Year

Source: Cover the Uninsured, from USA Today, 9/11/07

Employer-sponsored health insurance premiums increased by an average of 6.1 percent in 2007, less than the increase in 2006 but more than the 3.7 percent increase in employee wages and more than twice the annual inflation rate in July of 2.4 percent, according to an annual survey released last week by the Kaiser Family Foundation, reports *USA Today*.

According to the survey of nearly 2,000 employers, **the average cost of a family plan purchased by employers in 2007 hit a new high of \$12,106, and individual coverage premiums averaged \$4,479.** Although the percentage of premiums paid by workers remained about the same as in 2006, the dollar amount paid by workers increased \$308 to \$3,281. Drew Altman, president of the Kaiser Family Foundation said, "Health insurance is becoming increasingly unaffordable for many employers and working people in the country...We're seeing this more and more every year."

Higher Costs, Worse Outcomes for Previously Uninsured Medicare Beneficiaries

The Commonwealth Fund update – 9.19.07

Research published recently in the *New England Journal of Medicine* underscores the importance of having health insurance coverage—not only for ensuring access to needed care, but also for controlling overall health care costs and promoting good health outcomes.

[The Commonwealth Fund-supported study](#), Use of Health Services by Previously Uninsured Medicare Beneficiaries, found that among U.S. adults ages 59 to 64 who had been diagnosed with hypertension, diabetes, heart disease, or stroke, those lacking insurance coverage had much higher medical costs—51 percent higher—after becoming eligible for Medicare at age 65, compared to those with insurance coverage.

Uninsured adults in this age group also reported 13 percent more doctor visits and 20 percent more hospitalizations than their insured counterparts. Higher use of services and higher costs persisted through age 72, the researchers found.

"These findings support the hypothesis that previously uninsured adults used health services more intensively and required costlier care as Medicare beneficiaries than they would have if previously insured," wrote the authors, who include J. Michael McWilliams, M.D., and his colleagues at Harvard Medical School.

The costs of providing health insurance to people earlier in life, they note, may be partly offset by reduced spending on health care after age 65.

Brief Items from The Commonwealth Fund – 9.19.07

Staying Insured Remains Big Problem for Young Adults

In 2003, the Fund first reported on the staggering uninsured rate among young adults in the U.S., and how simple, targeted policy changes could help this group obtain, and hold on to, health coverage. In an update of [Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help](#), Fund researchers report that in 2005, **13.3 million adults ages 19 to 29 were uninsured, up from 12.9 million in 2004**. They also report that in the last four years, 16 states have enacted requirements that parents' insurance policies must cover children beyond age 18 or 19. Extending eligibility for Medicaid and SCHIP beyond age 18 would further expand coverage for young adults.

Experts Polled on Keys to Improving Quality of Care

What is the secret to improving the quality and safety of health care? According to a recent [Commonwealth Fund/Modern Healthcare Health Care Opinion Leaders Survey](#), the answer lies in **implementing a national quality agenda, reforming the way health care providers are paid, and integrating provider care**. Among the experts surveyed, more than half said they support the creation of a new public-private entity to coordinate quality improvement efforts and develop a national agenda. Nearly all agreed that fundamental payment reform is needed, while three-fourths said greater organization and integration of provider care are necessary to effect improvements in quality and efficiency.

State Health System Performance and State Health Reform

Commentary, The Commonwealth Fund, 9.18.07 –

Full Document:

http://www.commonwealthfund.org/publications/publications_show.htm?doc_id=523099&#doc523099

Abstract:

Recent reports — including the state-by-state health spending reports from the Centers for Medicare and Medicaid Services, the health care quality report from the Agency for Healthcare Research and Quality, and the state scorecard on health system performance by the Commonwealth Fund Commission on a High Performance Health System—attest to the **wide variation among states in insurance coverage as well as quality, cost, and other important dimensions of health system performance**. The data also point out some interesting relationships: for example, **personal health care costs do not appear to be linked to quality or mortality, but Medicare spending is closely linked to preventable hospitalization**. These variations tell us that every state has room to improve—and, in fact, many states have devised innovative strategies to address problem areas.

With the inexorable rise in the costs of care, several states are seeking major gains in efficiency by raising the performance of the health care system as a whole. For instance, providing patients with access to a medical home has been shown to improve access to and coordination of care, leading to better health outcomes along with lower costs. Iowa has been able to reduce Medicaid spending by 3.8 percent over eight years by implementing and expanding a primary care case management program, which increased pharmaceutical expenses but lowered hospital and physician costs.

Other states have invested in electronic medical technology to improve outcomes, reduce errors, and improve efficiency. Still others—like Massachusetts, Minnesota, Washington, and Wisconsin—are using

value-based purchasing to improve quality, reduce administrative cost, and provide financial incentives in state public employee benefits or Medicaid programs. These initiatives are allowing states to test-drive promising approaches, while serving as valuable learning laboratories for other states and the nation as a whole.

Cover the Uninsured Week Expands in Michigan

Michigan Cover the Uninsured Network E-Newsletter – 9.20.07

With initial financial support from the Robert Wood Johnson Foundation, efforts in southeastern Michigan to find a solution to the plight of the uninsured is taking on a new life.

The Michigan *Cover the Uninsured Network* will build on the work we have been doing over the past five years by providing the necessary coordination and integration among agencies and organizations throughout Michigan that have been involved in this national Robert Wood Johnson Foundation sponsored campaign.

What began as a coalition of 200 agencies and organizations in southeastern Michigan is now approaching 1,000 organizations representing constituencies in communities all over the state.

We believe that greater collaboration and focus will continue to generate momentum for a change in health care policy, and **our goal is to more fully engage opinion leaders, as well as consumers, in the process to achieve a health coverage solution for all of Michigan's 1.2 million uninsured citizens.**

The Michigan Cover the Uninsured Network is comprised of a small staff of seasoned communications professionals, coupled with volunteers from many of the stakeholder organizations that comprise the network. Network members contribute cash, people, and provide a variety of in-kind resources.

Current activities include, but are not limited to: **SCHIP** Re-Authorization and Expansion, *Covering Kids & Families Back-to-School Enrollment Campaign* (MICHild & Healthy Kids), United Way **2-1-1 Statewide Partnership** to improve access to health care, **Cover the Uninsured Week 2008** Planning, Planning for **2008 Opinion Leaders Tour** in major markets around the state and Development of Statewide **Communications Infrastructure for the Uninsured** .

Hillary Clinton's health care 2.0:

Salon.com column (Walter Shapiro) – 9.19.07

The bumper-sticker problem has defeated more good legislation than a Capitol Hill steakhouse filled with red-meat corporate lobbyists. Brevity is not only the soul of wit, but it is also the secret sauce for policy success in Washington. If you cannot convincingly explain an ambitious program on a bumper sticker or in a 30-second TV spot, then you might as well slink back to the think tank in defeat.

By this standard, Hillary Clinton's ballyhooed "14 years in the making with a cast of hundreds of policy experts" remake of health care reform has been an unqualified success. Beyond the actual proposal, the 30-second TV spot explaining it is pitch and pith perfect. **The new Clinton ad, which aired Wednesday on Iowa and New Hampshire TV, declares in a cheery voice-over, "She changed our thinking when she introduced universal health care to America ... Now she has a health care plan that lets you keep your coverage if you like it, provides affordable choices if you don't, and covers every American."**

(Full article at: http://www.salon.com/opinion/feature/2007/09/19/hillary_healthcare/)

Study: 'Creating High-Impact Nonprofits'

From Alliance for Advancing Nonprofit Health Care – 9.7.07

Full study reported at: <http://www.nonprofithealthcare.org/documentView.asp?docID=972&sid=>

Web Resources:

Association for Community Health Improvement's [Community Health Assessment Toolkit](#), built with expert guidance from a 35-member ACHI working group and funding from the American Hospital Association, [will be online in November 2007 at www.assesstoolkit.org](#) (Request to be notified when it goes live: communityhlth@aha.org). Purpose: The Community Health Assessment Toolkit is a hands-on guide for both novice and experienced practitioners seeking to design, conduct and use assessments to improve the health of their communities.

[The Consumer Guide for Getting and Keeping Health Insurance in Michigan](#) will be updated in November, 2007. (<http://healthinsuranceinfo.net/getinsured/michigan>)

Kids' Insurance Divides Republicans

Wall Street Journal Health Blog – 9.21.07 (Posted by Jacob Goldstein)

The inside-the-Beltway-gang is engaging in some serious brinkmanship over the [State Children's Health Insurance Program](#) this week, and it's dividing Republicans, in particular.

The current program, which helps provide health insurance to some 6.6 million kids, is set to expire on Sept. 30, and Congress is about to send a [bill](#) to President Bush to renew and extend it. But Bush held a press conference yesterday (transcript is [here](#)) and said he wouldn't sign the bill — no huge surprise, given that he's [promised](#) all along to veto Congress' expansion plan, arguing that it would unwisely expand the government's role in health care

[Bush did suggest a short-term fix when he called on Congress to pass a "clean, temporary extension" of the current program that he could sign by the end of the month. But many Republicans support the full-blown bill, and have criticized Bush's hard line on the popular measure.](#)

"I wish he would engage Congress in a bill that he could sign instead of threatening a veto," Republican Senator Charles Grassley of Iowa [told](#) the Washington Post. (Bush has proposed a much smaller expansion of the program, but it never went anywhere in Congress.) And when the Post asked Sen. Orrin Hatch (R-Utah), if he'd vote to override a presidential veto of the bill, he quipped, "You bet your [sweet bippy](#) I will."

Many House Republicans have been more supportive of Bush's position. But House Republican Ray LaHood is trying to get 20 to 30 of his colleagues to back the bill, the Post reports. "I'm optimistic we can get a significant number of Republicans," LaHood told the paper. "[I]t shows that, if they feel strongly about something, they are willing to stand up to the president and tell him."

Delphi retirees watch, wait outcome of UAW-GM talks

Free Press – 9.24.07

[Whatever General Motors Corp. and the UAW decide about retiree health care, one thing is certain: It will affect more than just GM's retirees.](#)

The deal ultimately reached between the parties likely will set a pattern that is followed closely at Ford Motor Co. and Chrysler LLC. Also watching and waiting -- particularly for a decision on retiree health care -- are the workers and retirees from GM's former parts arm, Delphi Corp.

It was only three months ago that Delphi workers approved a contract giving to GM the responsibility of paying for retiree health care benefits for Delphi's longtime workers and retirees. [About 12,000 Delphi retirees and as many as 4,000 current Delphi workers eligible for health care benefits upon retirement would have to adjust to whatever changes are negotiated between GM and the UAW.](#) Those are changes Delphi workers won't get to vote on.

"It's way out of our hands," said Marc Amante, who works at a Delphi plant in Grand Rapids.

Despite that, Amante, 57, said he is open to the possibility of a retiree health care trust -- known as a voluntary employee beneficiary association, or VEBA. And he said he trusts the union to oversee it.

But some active Delphi workers aren't so sure, and they don't like that they can't have a say in what would happen to their retiree benefits. "Whatever's negotiated this time, we're going to have to live with," said Bill Hanline, 59, who took a buydown in exchange for a pay cut.

Jonell Sayles has seen this happen before. The 55-year-old retiree from Delphi's Flint East plant watched as GM workers in 2005 allowed the company to shift some of its health care costs to retirees. She said she is worried that a VEBA -- into which GM would pay only part of what promised health care is expected to cost - eventually would run out of money and force her health care costs up.

"We can't vote. They let the people in the plant vote on what's best for the retirees," she said. "I'm afraid anytime the company wants to save money, it will come out of my pocket."

Bush vows to veto bipartisan kids' health care bill

Associated Press – 9.224.07

WASHINGTON -- President Bush again called Democrats "irresponsible" on Saturday for pushing an expansion he opposes to a children's health insurance program.

"Democrats in Congress have decided to pass a bill they know will be vetoed," Bush said of the measure that draws significant bipartisan support, repeating in his weekly radio address an accusation he made earlier in the week. "Members of Congress are risking health coverage for poor children purely to make a political point."

In the Democrats' response, also broadcast Saturday, Pennsylvania Gov. Ed Rendell turned the tables on the president, saying that if Bush doesn't sign the bill, 15 states will have no funding left for the program by the end of the month.

At issue is the Children's Health Insurance Program, a state-federal program that subsidizes health coverage for low-income people, mostly children, in families that earn too much to qualify for Medicaid, but not enough to afford private coverage. It expires September 30.

A bipartisan group of lawmakers announced a proposal Friday that would add \$35 billion over five years to the program, adding 4 million people to the 6.6 million already participating. It would be financed by raising the federal cigarette tax by 61 cents to \$1 per pack.

The idea is overwhelmingly supported by Congress' majority Democrats, who scheduled it for a vote Tuesday in the House. It has substantial Republican support as well. But Bush has promised a veto, saying the measure is too costly, unacceptably raises taxes, extends government-covered insurance to children in families who can afford private coverage, and seems like a move toward completely federalized health care.

He has asked Congress to pass a simple extension of the current program while debate continues, saying it's children who will suffer if they do not. "Our goal should be to move children who have no health insurance to private coverage -- not to move children who already have private health insurance to government coverage," Bush said.

The bill's backers have vigorously rejected Bush's claim it would steer public money to families that can readily afford health insurance, saying their goal is to cover more of the millions of uninsured children. The bill would provide financial incentives for states to cover their lowest-income children first, they said.

Many governors want the flexibility to expand eligibility for the program. So the proposal would overturn recent guidelines from the administration making it difficult for states to steer CHIP funds to families with incomes exceeding 250 percent of the official poverty level.

Rendell said thousands of children will lose health care coverage if Bush doesn't sign the bill. "The administration has tried to turn this into a partisan issue and has threatened to veto. The health of our children is far too important for partisan politics as usual," he said. "If the administration is serious about solving our health care crisis, it should be expanding, not cutting back, this program which has made private health insurance affordable for millions of children."

IM UR NYC MD 24/7 4 HELP

Wall Street Journal Health Blog – 9.24.07 (Posted by Scott Hensley)

Let us be the latest but certainly not the last blog to spill a few pixels over Jay Parkinson, M.D., of Brooklyn. The good doctor and scarily accomplished photographer has **an offer to take care of you for \$500 a year. And most of the time, you'll be meeting online.**

Parkinson, 31 and **freshly licensed**, has got no office, though he's looking into renting a room. You'll get two face-to-face visits a year (at your apartment, office or other mutually convenient place) and unlimited "e-visits," his word not ours, for help with your health. Those e-visits could be IM chats, emails, or Web video sessions.

There are some catches. You have to apply online to be a patient (see [his Web site](#) here) and that system won't be up and running for a few days. Also, you've got to be young and in lower Manhattan or hipster Brooklyn (not an oxymoron for those of you outside NYC, believe it or not, but the neighborhoods of Williamsburg and Greenpoint).

Drug Prices Rise Less, But We Buy More

Wall Street Journal Health Blog – 9.21.07 (Posted by Jacob Goldstein)

The average cost of drug prescriptions rose less in the past year — just 1 % — than at any time since the government started tracking the figure in 1978, the New York Times [reports](#).

But don't get too excited about all the money we're saving: **Total spending on drugs actually rose 8 percent last year, as the nation grew more heavily medicated,** according to IMS Health figures.

The overall rise in drug spending includes more prescriptions for cardiovascular disease, diabetes, and diseases of the central nervous system. **Within a decade, annual spending on prescription drugs is expected to rise to \$500 billion, up from \$275 billion this year,** the Times says.

The low rise in prices was the result of the wave of new generics hitting the market, and the growing push to get more people to switch to generics. As a result, the average price of drugs actually declined in the fourth quarter of last year, according to the government. (The methodology the [Bureau of Labor Statistics](#) uses to calculate the figures is described [here](#).)

Generics accounted for 63% percent of prescriptions dispensed last year. And NYT points out that he country's biggest supplier of medicines, as measured by prescriptions filled, isn't Pfizer or Merck but generics king Teva Pharmaceuticals of Israel. (For a story from the WSJ on the rise of Teva, click [here](#).)

The story spends a while debating whether Wal-Mart's \$4 prescriptions on some drugs (and a similar deal at Target) had any effect on overall prices. Probably not — the \$4 drugs were mostly old, cheap drugs to begin with. But Linda Treat of the National Legislative Association on Prescription Drug Prices told the paper **the much-publicized Wal-Mart plan might have an indirect influence. "I think it may be having a spillover effect psychologically," she said. "Folks are seeing generics as more acceptable than they had."**

Deal Struck on FDA Financing

NPR Weekend Edition Sunday, 9.23.07 – Listen:
<http://www.npr.org/templates/story/story.php?storyId=14635216>

Congress settles on a plan to continue financing the Food and Drug Administration. The [legislation strengthens the FDA's control over drugs once they're on the market, and permits stronger action if safety concerns arise.](#)

MDCH Launches New Pain and Symptom Management Web Site

Michigan News Wire 9.21.07

[A new Michigan Department of Community Health \(MDCH\) web site will help Michigan residents address the issues of pain and symptom management, state officials said today.](#)

The MDCH Pain and Symptom Management web site - available online at www.michigan.gov/painmanagement or www.michigan.gov/pm - broadly covers both pain and symptom management at all stages of life, said Janet Olszewski, MDCH Director. "Launching this web site dedicated to informing both health consumers and health care professionals on pain and symptom management is another example of Michigan's efforts to address this important issue," Olszewski said.

The Pain and Symptom Management web site has a public section with information regarding diseases and conditions that cause pain, medications for treating pain, and tools to search for a local doctor or psychologist that specializes in pain management. This consumer portion of the web site provides information on a wide array pain management issues, including chronic disease pain management, palliative and end of life care, advanced directives and living wills. Numerous links to other web sites, articles, and current news regarding pain management are also provided.

The American Academy of Pain Medicine estimates that more than 75 million Americans live with serious pain across all stages of life, and many report that their pain is not managed adequately. In Michigan, one in five adults report experiencing some form of chronic pain, with 40 percent of people with chronic pain reporting that pain affects their ability to live a normal life. The experience of chronic pain generally increases with age, as revealed by 48 percent of Michigan's nursing home residents who report experiencing persistent pain. Although studies show that many people are not adequately treated for pain at the end of life, clinicians currently have medications and other treatments to safely provide adequate pain relief for more than 90 percent of these patients.

In addition to the consumer section, the site also has a section for health care professionals, which provides information related to the importance of treating pain across the patient's life span. Professionals are able to acquire information on pain and symptom management from this website related to state and national treatment guidelines, Michigan legislation, professional publications and articles, and important links to other pain management websites.

In addition to tracking the progress of our state in addressing pain and symptom management, another section of the site contains information about the meetings and activities of the Advisory Committee on Pain and Symptom Management.

Here's the Deal on SCHIP . . . Er, CHIP

The Commonwealth Fund newsletter – 9.21.07

[House and Senate negotiators finally came together Friday on an agreement blending provisions passed by their respective chambers to reauthorize the State Children's Health Insurance Program. When and whether the provisions will ever take effect is unclear in light of the pledge by President Bush to veto the package as well as the difficulty, particularly in the House, of overriding the expected veto.](#) But even if Bush prevails and SCHIP is extended by a year or two without any expansion, the provisions of the agreement could eventually be dusted off and become the starting point for new efforts to expand the program after Bush leaves office.

As expected, [the agreement calls for added spending of \\$35 billion over five years in addition to current spending levels of some \\$5 billion a year, making a total of \\$60 billion in spending on the program. It would](#)

no longer be known as "SCHIP," but rather as "CHIP," or the Children's Health Insurance Program.

According to a summary released by the Senate Finance Committee—legislative language isn't expected to be available until Monday—the agreement also would:

- Preserve coverage for 6.6 million children currently covered by the program. The agreement also would reduce the number of uninsured children by almost four million, pending final estimates from the Congressional Budget Office.
- Require dental coverage for all children enrolled in the program. "The agreement also ensures that states will offer mental health services on par with medical and surgical benefits" covered under the program. In addition, it protects "EPSDT" benefits, which stands for Early Periodic Screening Diagnosis and Treatment benefits that advocates for low-income patients are essential to quality care.
- Modify populations eligible for coverage. States would have the option to cover pregnant women as well as to cover them through other approaches, such as seeking approval of waivers from the Centers for Medicare and Medicaid Services (CMS). **Coverage of childless adults would be phased out after a year, with temporary Medicaid funding provided to cover those now enrolled in SCHIP through waivers. States also would be permitted to apply for a waiver to cover these adults in Medicaid.**
- Give states enrollment incentives. The agreement would allow "additional up-front funding for states planning improvements to their" CHIP programs. "States that face a funding shortfall and meet enrollment goals will receive an adjustment payment to ensure that no child who is eligible for Medicaid or CHIP is denied coverage or placed on a waiting list." But "the formula also sets in place new overall caps on federal funding to ensure the program's expenditures do not exceed the amounts authorized."
- Replace CMS restrictions on enrollment announced Aug. 17. Instead of the provisions in the letter meant to prevent "crowd out"—substitution of private coverage with government-funded coverage—the agreement "gives states time and assistance in developing and implementing best practices" to prevent substitution. The agreement also would phase in a requirement for covering low-income children first as a condition for funding coverage of children above 300 percent of the poverty level.
- Strengthen enrollment efforts. The deal would provide \$100 million in grants to states, local governments, schools, community organizations, safety-net providers and others to enroll children in CHIP programs.
- **Expand premium assistance programs. The agreement would make it easier for CHIP programs to enroll children in employer-provided private coverage by helping families with their premium payments.**

Study Finds 1 of 3 Nonelderly Americans Uninsured

The Commonwealth Fund newsletter – 9.20.07

A Families USA analysis of Census Bureau data finds that more than one out of three people under age 65—approximately 89.6 million Americans—were uninsured at some point during 2006–2007.

Most of the uninsured lacked coverage for long periods of time, the study found. **Nearly two-thirds were uninsured for six months or more and over half were uninsured for nine months or longer**, according to the report, which was released Thursday.

Four out of five of the uninsured were from working families, with 70.6 percent employed full time and 8.7 percent employed part time. Of the total 89.6 million uninsured, 64.2 million were between 18 and 64 and more than a third were ages 25 to 44, the age group that makes up the largest percentage of the uninsured.

The Families USA analysis examines the uninsured over two two-year periods, 1999–2000 and 2006–2007, rather than the annual Census Bureau analysis, which measures the uninsured over a period of one year. The Families USA data also measures the number of people who were uninsured for different lengths of time.

"The huge number of people without health coverage over the past two years helps to explain why health care has become the top domestic issue in the 2008 presidential campaign," said Ron Pollack, executive

director of Families USA. "The expansion of health coverage in America is no longer simply a matter of altruism about other people but a matter of intense self-interest."

Senate Finance Committee Chairman Max Baucus, D-Mont., said the report's findings "underscore the need for Congress to complete its work to extend the Children's Health Insurance Program to millions more low-income, uninsured children, and for the president to end the veto threat that would cause even more kids to become uninsured."

Health groups backing children's insurance bill in face of veto threat

Associated Press – 9.25.07

WASHINGTON -- Groups representing most facets of the nation's health care system are lining up in support of a large spending increase for a popular children's insurance program, even as President Bush renewed his veto vow Tuesday.

The major lobbying groups for insurers, doctors and hospitals said they stand behind a proposal to more than double spending on the State Children's Health Insurance Program. To pay for the increased spending, supporters seek a 61 cent increase in the federal excise tax on cigarettes. Comparable tax increases would also be applied to other tobacco products.

Richard Umbdenstock, president and CEO of the American Hospital Association, said Monday that children without health insurance were 2 1/2 times more likely to go without care for an illness than were children with insurance. Also, uninsured children were four times as likely as insured children to seek treatment in an emergency room. He said the legislation being considered this week would help ensure that minor illnesses didn't become major illnesses for many children.

Time to Cross Off Annual Checkups From To-Do Lists?

Wall Street Journal Health Blog – 9.25.07 (Posted by Shirley S. Wang)

A lot of healthy Americans are going to the doctor for annual, preventive health visits, but there's scant evidence that these pilgrimages provide much benefit, concludes a [study](#) published in the Archives of Internal Medicine.

Annual physicals and gynecological exams account for about 1 in 12 visits by adults to their doctors. And the tab for all those checkups is pretty hefty at nearly \$8 billion per year, based on an analysis of nearly 180,000 visits from two national databases. The authors, from the University of Pittsburgh School of Medicine and Harvard Medical School, say that this is the first time that the number and costs of these preventive health visits have been crunched.

Readers of the Health Blog might be understandably confused about the findings. Aren't we supposed to be paying this kind of attention to our health, reducing risks, staving off illness and catching problems while they're still small?

Well, there's a simmering debate among doctors about preventive visits. As the [Philadelphia Inquirer points out](#): "The public is basically clueless about this controversy, and no wonder. Medical professionals harp on the importance of 'early detection' and 'prevention,' without explaining that major medical organizations do not recommend preventive health exams, or agree on how to define them."

To muddle things a littler more, the study found that many patients were getting preventive care while seeing doctors for treatment of illnesses and chronic disease. Only about 20% of Pap smears, mammograms, prostate tests, cholesterol tests, and counseling about exercise, weight loss, smoking cessation, or nutrition took place during an annual exam.

Kids' Insurance Bill Moves Ahead, But Veto Looms

Wall Street Journal Health Blog – 9.26.07 (Posted by Scott Hensley)

The House ignored a threatened veto by President Bush and approved last night a \$35 billion expansion of a popular source of subsidized health insurance for kids.

The vote was a solid 265 to 159. But the victory in the House for supporters for a more inclusive State Children's Health Insurance Program may be short lived. Sure, the Senate is expected to pass the compromise bill later this week and then send it on to Bush. But while the Senate looks likely to provide a veto-proof bipartisan majority for it, the Washington Post [reports](#), "amid furious White House lobbying, even Republican advocates in the House ruefully conceded that they will probably fall short of the 290 votes they will need next week to override the promised veto."

The government program called SCHIP provides health coverage for 6.6 million children from families whose income is above the poverty line but still makes buying private insurance a challenge. The proposed expansion—supported by the AMA, many governors and a slew of health advocates—would add 4 million children to the rolls, the AP says.

Bush is steadfast in opposing the expansion and promises to deep six the bill. See the White House's explanation here: [Five Key Myths About President Bush's Support for SCHIP Reauthorization](#).

SCHIP is set to expire on Sunday. To keep it running as is, congressional Democrats plan a temporary extension tucked into a larger spending bill that kicks in when the government's new fiscal year starts Oct. 1.

Depression Care: The Business Case

Wall Street Journal Health Blog – 9.25.07 (Posted by Shirley S. Wang)

Employers who help minimize the toll that depression takes on employees may also benefit.

Depressed workers who were helped by telephone, and in some cases, referred to in-person treatment were less depressed and were more productive than those who were told to get help on their own. Results from a study published in JAMA show the improvement lasted up to a year.

The experiment involving 604 adults is one of the few large-scale efforts to target depression among individuals in the workplace, and the researchers say it's the first to look at factors that might matter to businesses, such as how many hours employees logged at their desks.

"Improving the care of depression is not just a cost to employers," Philip S. Wang, a psychiatrist at the National Institute of Mental Health and lead author on the study, told the Health Blog. "It actually appears, from our results, to be an investment opportunity. They recover productivity that's lost to due depression."

More than 7,000 people were screened for depression. Those whose results indicated a need for treatment received either special help or were advised to get treatment on their own. In the intervention group, "care managers", who were master's-level mental health professionals, called employees to recommend treatment options and give out referral information. They checked in with employees an average of six times throughout the year and conducted therapy sessions by phone in some cases.

Participants in this group worked two hours more a week and were more likely to stay on the job compared to the group that didn't talk with the care managers, encouraging findings considering that the annual economic burden of depression in the workplace tops out at more than \$50 billion.

Poll Shows Providing Coverage to Uninsured Is Top Priority

Cover the Uninsured, from Wall Street Journal, 9.19.07

A new poll conducted by *Wall Street Journal* Online/Harris Interactive reports that for most U.S. adults, the top health-related issue they would like to see the presidential candidates address is providing coverage for the uninsured reports the *Wall Street Journal*.

A majority of Democrats and Independents in the United States list providing health coverage to the uninsured as the most important health-related issue for presidential candidates to address, while most Republicans say containing medical costs is most important. Sixty-nine percent of Democrats and 55

percent of Republicans believe the health care system would be better if health coverage was not linked directly to employers. Eighty-two percent of Democrats said it is the government's responsibility to ensure coverage for Americans, compared with 47 percent of Republicans and 66 percent of Independents.

The Presidential Candidates' Health Care Plans: A First Look

The Commonwealth Fund, Analysis by Karen Davis and Sara Collins – 9.26.07

Health care is the top domestic issue in the 2008 presidential campaign, with rising costs and the growing ranks of the uninsured putting pressure on candidates to offer concrete plans for health system reform. According to a recent *Wall Street Journal*/Harris Interactive poll, **providing health coverage to the uninsured is the top-rated health policy issue, with slowing inflation in health care costs a close second.** The public's views are echoed by those of health care opinion leaders, including experts, those providing health care, business, consumers, and government officials. So far, the three leading Democratic candidates have offered health care reform proposals. Two Republican candidates have also unveiled elements of their health plans. The Commonwealth Fund and its Commission on a High Performance Health System will analyze candidates' ideas as they are introduced and as additional details become available. The proposals offered to date are a welcome development and promise to trigger an important national debate on our values, and on our commitment to achieving a high performance health system.

(Full column: http://www.commonwealthfund.org/aboutus/aboutus_show.htm?doc_id=533029&#doc533029)

Union enlists Detroit 3 for health care reform

Free Press column (Tom Walsh) 9.27.07

The UAW is pushing all three Detroit automobile manufacturers to join with the union in forming a group to push for national health care reform, according to people involved with UAW contract negotiations. **General Motors Corp. has agreed to participate as part of its tentative contract deal,** said the people, who asked not to be identified because of an official blackout on contract details.

The push to enlist the Detroit Three's support for the union's long-standing crusade for universal health care is **indicative of the UAW's growing profile as a major player in the nation's health care policy debate.** Wednesday's historic deal to shift GM's \$50-billion retiree health care obligation into a union-run independent trust, called a voluntary employee beneficiary association, or VEBA, means that the UAW now has some serious skin in the national health care game. **If Ford Motor Co. and Chrysler LLC also agree to a VEBA for retiree health care, the UAW would wield incredible clout as one of the nation's largest purchasers of prescription drugs and medical services,** from MRI scans to artificial hips.

It's not clear whether the auto companies will be 100% in lockstep with the UAW on every detail of various national health care proposals. But the union's request that each company pledge to join what one person called a "health care institute" is definitely an attempt to rally their support for a federal system that ensures care for all Americans.

That support is likely to take the form of side letters to the national contract agreement. A similar side letter was signed by GM and the UAW in 2005 when they negotiated a smaller VEBA in connection with mid-contract changes to help GM save money on health care costs. The 2005 letter called for GM to take an active role in health care reform issues. It was unclear Wednesday whether the new pledges being pushed by the UAW in the 2007 contract would hold the companies to more specific policy positions

UAW President Ron Gettelfinger often quotes from a 1968 speech by his legendary predecessor Walter Reuther, which is as on point today as it was almost 40 years ago: "If we are to act realistically and adequately in order to deal with this health care crisis," Reuther said then, "we must first free ourselves of the illusion that we really have a health care system in America. **What we have, in fact, is a disorganized, disjointed, antiquated, obsolete nonsystem of health care.**"

The flaws that Reuther identified in America's approach to health care eventually morphed into the gigantic legacy costs -- about \$100 billion just in health care promises to GM, Ford and Chrysler retirees -- that have become such a burden to Detroit's auto industry.

While the Detroit Three have provided generous health care benefits to employees for decades, millions of Americans are uninsured or underinsured. Competitors Toyota, Honda, Nissan and Hyundai, meanwhile, provide less-generous health care benefits to active workers and have hardly any retirees at their U.S. plants.

Supporters of national health care ideas advanced in the early 1990s by President Bill Clinton and his wife, Hillary Rodham Clinton -- now a leading Democratic presidential candidate -- say that the UAW was supportive then, but the Detroit automakers sat on the fence.

And Ross Eisenbrey, a vice president at the left-leaning Economic Policy Institute in Washington, D.C., told me Wednesday that **the VEBA deal at the heart of the tentative GM-UAW contract actually could be a disincentive for GM to support universal health care now.** "In one sense, it's better to have the company with the liability for retiree health care. Now that GM gets it off their books, why should GM care about national health care?" he asked.

Indeed, that may well be why the UAW is pressing the automakers to make a formal commitment to help seek a national solution to the health care mess. But Eisenbrey warned that such commitments must entail more than lip service to be effective. "A company could put out a statement supporting universal care," he said, "but unless they back it up with PAC (political action committee) money and support for the right candidates, it doesn't mean much."

Given Gettelfinger's passionate position on the need for universal health care, it's probably safe to assume he'll hold the companies' feet to the fire on living up to the spirit as well as the letter of whatever they sign.

Deal could cost Michigan millions in Medicaid funding

Free Press – 9.27.07

Oops! The good news for General Motors Corp. in shifting \$50 billion of retiree health care obligations into a union-run trust fund could be up to \$400-million worth of unintended bad news for the state of Michigan's Medicaid funding, perhaps for three years in a row.

Here's the potential problem, says Michigan Medicaid Director Paul Reinhart:

Back in 2003, when GM made a \$16-billion payment into its then-underfunded pension plan, about \$6 billion of that whopping sum was included, per federal accounting rules, as part of the Michigan population's aggregate personal income for the year.

Since the state's personal income figure is used to calculate the federal share of Michigan's Medicaid money, the big GM payment made Michiganders appear wealthier on average, and therefore less in need of federal Medicaid dollars.

The loss to Michigan's Medicaid fund was about \$160 million, Reinhart said, which must be made up from state coffers. The state has since filed an appeal to recover that amount, arguing that the unintended consequence of including the pension-fund payment in the state's personal income could be easily fixed with statutory tweak of the formula criteria. That appeal is currently awaiting action in the federal bureaucracy.

Meanwhile, Reinhart became worried when he read about discussions of the retiree health care trust, called a voluntary employee beneficiary trust, or VEBA, as part of UAW-GM contract negotiations. Would GM's big contribution to the VEBA -- estimated at about \$35 billion -- get the same kind of treatment in the Medicaid formula as the pension payment did a few years back?

Based on the damage done from the 2003 pension contribution, **Reinhart calculates the federal share of Michigan's Medicaid funding could get whacked by \$400 million for each year of a three-year rolling average formula.** He asked federal Medicaid officials for a ruling on how the VEBA funding might be treated for Medicaid purposes. No answer yet.

Congress Delays Start of Prescription Rules

NPR Morning Edition, 9.27.07 Listen: <http://www.npr.org/templates/story/story.php?storyId=14761477>

Congress votes to delay by six months a new requirement intended to reduce prescription drug fraud in the Medicaid health program. Health-care providers were unprepared to comply with rules for "tamper-proof" prescription pads.

State lawmakers float a first: tax health care benefits

Free Press – 9.26.07

LANSING – In a possible first, **individuals would pay state income tax on health benefits from their employers** under one scenario lawmakers are considering to resolve the state's budget crisis.

Rep. George Cushingberry Jr., D-Detroit, said extending the income tax to benefits, as well as wages, would allow for a lower income tax rate increase as part of a final budget agreement. Currently, benefits are not taxed as income.

Cushingberry said raising the income tax from 3.9% to 4.3%, and expanding it to include benefits, would generate about as much revenue as a 4.6% tax on income alone – roughly \$1.2 billion in additional revenue. The state faces a \$1.75 billion deficit for the new fiscal year that begins Oct. 1.

Republican leaders have been the main proponents of the idea of levying a tax on benefits as a possible solution to the budget crunch, according to Cushingberry, chairman of the House Appropriations Committee.

Cushingberry and others familiar with the negotiations between House and Senate leaders and Governor Jennifer Granholm, said another tax increase also still is in play to boost state revenue – a plan to extend the sales tax to some services not currently taxed.

Cushingberry said today that he proposed \$300 million in state spending cuts that would not affect Medicaid and other state services for low-income people.

GM-UAW Deal: Retiree-Health Edition

Wall Street Journal Health Blog – 9.26.07 (Posted by Theo Francis)

General Motors and the United Auto Workers have struck a deal that lets the automaker move \$50 billion of retiree health obligations off its balance sheet. In return, the union gets to set and manage the health-insurance benefits.

To learn what this means for workers, the company and the union, the Health Blog got in touch with attorney Phyllis Borzi, a research professor in health policy at the George Washington University, who studies retiree benefits.

Details are still sketchy, but Borzi said everybody gets something out of a deal like this, at least on the surface. "The company gets the liability off its books, and the union has some control over how the money's going to be spent," she said. Workers get some assurance that they'll have health benefits in retirement, whatever happens in future labor-contract bargaining sessions — and whatever happens to GM.

"You wouldn't have the problem of the company going into bankruptcy, and then the retirees' benefits are the first to be canceled," she said.

Still, the risks for retirees are considerable. For one thing, early reports suggest that General Motors will pony up just \$35 billion to fund an obscure kind of trust called a Voluntary Employee Benefit Association, or VEBA. That's only about 70% of GM's total obligation for future retiree health benefits. From the company's perspective, it would be like paying off the bill at 70 cents on the dollar.

That means the VEBA may start life with too little cash to meet all the benefits it must pay over the decades. Moreover, predicting future health-care costs isn't easy. Get it wrong, and the union could be forced to cut benefits down the road.

"They're really getting a promise for whatever \$35 billion will buy you, for whatever time it will last," Borzi said. So the nature of GM's contributions is almost as important as the size, she added. As an employee, "I would want cold hard cash — I don't want any employer stock or any of that stuff in there."

Wal-Mart Stores Add More Drugs to Its \$4 Generic Prescription Program

Associated Press – 9.27.07

Wal-Mart Stores Inc. is expanding its national \$4 generic prescription drug program by about 10 percent, adding drugs for some new conditions.

The world's largest retailer said Thursday it has added drugs covering glaucoma, attention deficit disorder, attention deficit hyperactivity disorder, fungal infections and acne. Two prescription birth control drugs and one fertility drug were added at \$9, reflecting a higher cost that the company said could not be brought down further.

The Bentonville, Ark.-based retailer launched the \$4 generics program late last year as it pushed a variety of health and environmental initiatives to counter political pressure led by union groups over its labor practices, including health insurance.

The increase adds about 30 prescriptions, made up of 14 drugs in various doses, to a list of 331 prescriptions and 143 drug compounds sold under the first phase introduced last year. Critics including the National Community Pharmacists Association, which represents non-chain pharmacies that compete with Wal-Mart, have called the discounts a publicity stunt that covers only a fraction of the 8,700 generic prescription drugs approved by the Federal Drug Administration.

Wal-Mart has made the \$4 plan, which covers 30 days worth of generic drugs, a central plank of its public relations effort and says the program has cut over \$610 million in health care costs since it started. That figure is the difference between the old price it charged for the generics and the new price, times the number of prescriptions sold, Simon said.

Simon said Wal-Mart is not selling any of the \$4 prescriptions at a loss. The generics are profitable, he said, without providing detailed figures. Simon said the \$4 generics under the first phase account for just under 40 percent of all prescriptions filled at Wal-Mart pharmacies. He projected that rate will climb to well over 40 percent with the new drugs.

(Covered Wal-Mart drug list: <http://www.walmart.com/catalog/catalog.gsp?cat=546834>)

(AmeriCorps*VISTA Tami Dowd suggests the following other pharmacy lists for: K-Mart:

http://www.rxassist.org/providers/documents/90DayGenericsFormularySheetJuly2007_000.pdf and

Target: <http://www.rxassist.org/providers/documents/TargetGenericsProgramDrugList.pdf> . She notes there also is a program for Wal-Greens, and Shopko will discount any prescriptions off of Wal-mart's program at this time.)

Senate passes children's health insurance bill, Bush vows to veto

CNN – 9.28.07

WASHINGTON -- The Senate voted 67-29 Thursday night to expand the State Children's Health Insurance program, a measure President Bush has vowed to veto as a step toward universal coverage. The program would double -- from 4 million to 8 million -- the number of children covered.

Eighteen Republicans joined all of the Democrats in voting to expand the program from its current annual budget of \$5 billion to \$12 billion for the next five years. Four senators -- Republicans John McCain of Arizona and Sam Brownback of Kansas and Democrats Joseph Biden of Delaware and Barack Obama of Illinois -- did not vote.

The reauthorization bill "fails to focus on poor children, and instead creates a new entitlement program for higher-income households," said White House Press Secretary Dana Perino in a written statement. "The president will veto this bill because it directs scarce funding to higher incomes at the expense of poor families."

With the current program scheduled to expire Saturday, the White House encouraged Congress to send the president a continuing resolution extending the program.

"We should take this time to arrive at a more rational, bipartisan SCHIP reauthorization bill that focuses on children in poor families who don't currently have insurance, rather than raising taxes to cover people who already have private insurance," Perino added.

Sen. Orrin Hatch of Utah was among those Republicans who split from the president. "It's very difficult for me to be against a man I care so much for," he told his colleagues on the Senate floor prior to the vote. "It's unfortunate that the president has chosen to be on what, to me, is clearly the wrong side of this issue."

Though 67 votes in the 100-person chamber would suffice to overturn a veto, the House version, which was approved Tuesday, fell short of the two-thirds majority needed.

Bush and many Republicans contend the program's original intent would be changed under the current bill. The program is supposed to give parents who make too much to qualify for Medicaid but not enough to buy private insurance coverage for their children. The concern is that parents might be prompted to drop private coverage their children already have in order to get cheaper coverage under the bill.

Kids' Health: Biggest Domestic Fight of Bush Years

Wall Street Journal Health Blog 9.28.07 (Posted by Jacob Goldstein)

The fight over expanding the State Children's Health Insurance Program is "the biggest domestic policy clash" of the Bush presidency and "will reverberate into the 2008 elections," [proclaims](#) the front page of this morning's Washington Post.

As expected, the Senate last night followed the House's lead and passed a bill to expand the program to cover millions more children at a cost of an additional \$35 billion over five years. The increase would be funded largely by higher taxes on cigarettes. The president has promised to veto the bill on the grounds that it would unduly expand the role of government in health care. And that threat, despite the widespread popularity of the measure, is leading some prominent Republicans to break ranks with Bush.

Almost all Democrats support the bill — but so do many Republicans, especially those in swing districts and those likely to face a fight for re-election next year, says the WaPo. Many groups that support the Republicans on many issues — the Roman Catholic Church, the health insurance industry, most governors — side with the Dems on this one.

There's enough support in the Senate to override Bush's veto, but the House fight will be close. The House passed the bill with a solid majority, but was 20 votes short of the two-thirds needed to override the veto. The WSJ [points out](#) that a few House Democrats who were absent during the last vote are expected to add their support. But it's unclear how many Republicans will abandon the president and vote to override.

The current SCHIP program was set to expire at the end of the month, but a [stop-gap measure](#) passed this week extends the program until mid-November. As the Politico [notes](#), that allows the Democrats another month and a half of debate on an issue expected to break their way in next year's elections.

Aug. Jobless Rates Decrease Seasonally in All Michigan Regional Labor Markets

Michigan News Wire – 9.27.07

August seasonally unadjusted unemployment rates declined over the month in all of Michigan's 17 major labor market areas, according to the Michigan Department of Labor and Economic Growth. **In August, total employment levels increased in most regions while labor force levels registered reductions in nearly all of the areas.**

"Jobless rates typically fall in August throughout Michigan," said Rick Waclawek, director of the Bureau of Labor Market Information & Strategic Initiatives. "Unemployment was lowered due to recalls in auto-related manufacturing with the end of the seasonal July shut-down period. The size of the work force in most regions of the state was reduced as summer and seasonal employment opportunities began to wind down in August."

From July to August, seasonal jobless rate declines in the 17 regions ranged from 0.5 to 1.8 percentage points with a significant median drop of 0.9 of a percentage point. (Full details at: <http://www.michigan.gov/minewswire/0,1607,7-136-3452-176844--,00.html>)

Medicare to ease cuts to hospitals

Free Press – 10.1.07

In an example of the power of a Michigan congressman and hospitals, **the federal Medicare program is expected to announce today that it will reduce by nearly half the \$20 billion in cuts intended for inpatient care.**

Michigan hospitals faced \$151 million in cuts, the Michigan Health & Hospital Association reports. Those cuts also are expected to be reduced by almost half.

Hospital groups flooded Washington, D.C., legislators with calls and e-mails about the pending payment reductions. Last week, the House and Senate unanimously passed legislation sponsored by Rep. John Dingell, D-Mich., that will make the cuts feel more like a sting than a bite.

"We worked this one pretty hard," said Laura Appel, senior director of legislative policy for the Lansing-based Michigan Health & Hospital Association, which represents 146 nonprofit hospitals. Dingell's support of last-minute legislation was instrumental, Appel said. "We have to give him a lot of credit for recognizing what the problem was." Congress "kind of split the baby in half, I would say," she said, referring to the recent legislation.

So, instead of a \$20-billion reduction, hospitals will lose \$2.5 billion in the next two years and \$7 billion in the five years after that. The changes to Medicare inpatient reimbursements are the most sweeping since 1983. Reimbursements are adjusted for a region's economy and wage index.

Pelosi 'praying' Bush doesn't veto children's health insurance bill

CNN – 9.28.07

WASHINGTON -- House Speaker Nancy Pelosi said Friday she is "praying" that President Bush has a change of heart and does not veto a bipartisan children's health insurance bill that he has labeled an unwarranted expansion of government-run health insurance.

"The tide is going a different way than a presidential veto would reflect," Pelosi, a California Democrat, said. "It was with great friendship that I reached out to the president this morning to say that I was still praying that he would have a change of heart and sign this legislation. I think I have to pray a little harder, but I will not give up," Pelosi said.

Pelosi's comments came a day after the Senate voted 67-29 for the measure, which would expand the State Children's Health Insurance program by up to 4 million children.

White House spokeswoman Dana Perino on Friday said Bush still intends to veto the bill when it arrives at his desk. Perino also said the disagreement between Congress and the White House was a simple policy difference, not "about who cares about children more than the other."

"The president is saying, 'Let's take care of the neediest children first, let's not put scarce federal dollars toward a program that was meant for the poorest children and let it creep up to middle-income families with incomes up to \$83,000 a year,' " Perino said.

Bush and many Republicans contend that the program's original intent -- to give parents who make too much to qualify for Medicaid but not enough to buy private [insurance](#) coverage for their children -- would be changed under the current bill, prompting parents to wind up dropping private coverage their children already have to get cheaper coverage under the bill.

Perino also objected that the rhetoric surrounding the SCHIP bill has become too heated. "I think it is preposterous for people to suggest the president of the United States doesn't care about children, that he wants children to suffer," Perino said.