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## Access to Health Care News Update – 10.18.07

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

### Democrats' SCHIP Veto Override Not Likely

NPR *Morning Edition*, 10.18.07 · Listen: <http://www.npr.org/templates/story/story.php?storyId=15391843>

House members are set to vote on overriding President Bush's veto of a \$35 billion spending increase for children's health insurance, or SCHIP. But Democrats appear about 15 votes short. President Bush has asked three top advisers to negotiate a new deal with Congress.

### Poll: Americans Support Children's Health Program

NPR.org – 10.17.07 - Full study results: [http://media.npr.org/documents/2007/oct/Kaiser\\_poll\\_toplevel.pdf](http://media.npr.org/documents/2007/oct/Kaiser_poll_toplevel.pdf)

Despite President Bush's veto two weeks ago, **seven in ten Americans still support continuing and expanding SCHIP, the State Children's Health Insurance Program.**

That's according to a new poll by NPR, the Kaiser Family Foundation and the Harvard School of Public Health. The telephone survey of 1,527 randomly selected adults was conducted between Oct. 8 to 13. The margin of error was plus or minus 3 percentage points.

Support for reauthorizing and expanding SCHIP didn't fade much even after people heard the strongest arguments for and against adding 4 million children at a cost of \$35 billion. Support for the plan stayed at 65 percent overall.

### Could SCHIP Plan Pillage Private Insurance?

NPR, *All Things Considered*, 10.17.07 – Listen: <http://www.npr.org/templates/story/story.php?storyId=15377334>

On Thursday, the House of Representatives is going to try to override the president's veto of a bill that would have expanded a popular children's health insurance program — SCHIP. The override is expected to fail. At a press conference Wednesday, President Bush once again explained his veto.

"I don't like plans that encourage people to move from private medicine to the public, and that's what's happening under this bill," he said.

**But a new poll shows that the public supports an expansion of the program — even if it means some people would drop their private health insurance to get the government benefits.**

## **September unemployment up in state, despite new jobs**

*Free Press – 10.18.07*

Michigan's unemployment rate edged up slightly in September as the number of people working increased but so did the number unable to find jobs.

The 7.5% rate was one-tenth of a percentage point above August's 7.4% rate. **The September rate marked Michigan's highest unemployment level since June 1993.**

**The August rate ranked as the worst among the 50 states.** The federal government is to release state rankings for September later this month, but Michigan is likely to remain at or near the worst spot on the list. The Michigan Department of Labor and Economic Growth reported Wednesday that its survey of employers showed that Michigan added 4,000 jobs in the leisure and hospitality industry during September and 3,000 new jobs in the education and health services field. But the state shed another 2,000 factory jobs. The national jobless rate in September increased by one-tenth of a percentage point to 4.7%.

Although the monthly jobless rate marked just a slight rise in September, the state's long-term trend has been disappointing. "The 2007 average rate through September of 7% was similar to the 6.9% rate posted for 2006," said Rick Waclawek, director of the department's Bureau of Labor Market Information and Strategic Initiatives. "However, the state's unemployment rate has trended upward in recent months."

## **Social Security boost is smallest in 4 years**

*Associated Press – 10.18.07*

WASHINGTON -- **Social Security benefits for nearly 50 million people will rise 2.3% starting in January, the smallest cost-of-living increase in four years.**

The new figure, announced Wednesday by the Social Security Administration, means the typical retired worker's benefit check will increase by \$24, to \$1,079 a month. The adjustment is based on the change in consumer prices from July through September compared with the same three-month period last year. Benefit payments have been tied to inflation since 1975.

Advocates for elderly people said the small increase highlighted the need to revamp the cost-of-living adjustment to better reflect prices paid by retired people, including the money they spend on health care. The increase will go to more than 54 million people. Nearly 50 million get Social Security benefits; the rest get Supplemental Security Income payments for poor people.

The average retired couple, both receiving Social Security benefits, will see their monthly check go from \$1,722 to \$1,761, an increase of \$39. The standard SSI payment for an individual will rise from \$623 a month to \$637. The average monthly check for a disabled worker will go from \$981 to \$1,004.

## **Ill inmates transferred; closing of Jackson prison under way**

*Associated Press – 10.18.07*

LANSING -- **Sick inmates at a prison in Jackson are being taken elsewhere now that the state has approval to close the facility.** Twenty-five to 30 prisoners were moved to other prisons Tuesday, said Russ Marlan, spokesman for the state Department of Corrections. Another 100 will be moved this week, with the remaining 435 who are ill transferred gradually over the next month. The Corrections Department plans to close the Southern Michigan Correctional Facility by Nov. 15.

U.S. District Judge Robert Jonker in Grand Rapids again approved the plan to transfer the sick inmates. Federal appeals by inmates lawyers' have been unsuccessful, and the 6th U.S. Circuit Court of Appeals on Monday issued a mandate giving effect to an earlier decision to largely stay out of the dispute. Gov. Jennifer Granholm's administration wants to close the 1,400-bed Jackson prison to save \$35 million and help balance the state budget.

Inmates' lawyers who sued to block the prison's closure have said the state wants it closed to escape long-standing and costly federal oversight of the health care system at the Jackson prison complex. Jonker recently took over the class-action case after U.S. District Judge Richard Enslen in Kalamazoo asked that it be transferred. Although Enslen had blocked the plan to close the prison and ordered the department to revise it, citing concerns over moving sick prisoners, Jonker said the transfer proposal was OK.

The Corrections Department has been under a federal consent decree in the case, known as Hadix, since 1985 to improve medical care and other conditions at the state prisons in Jackson.

The case has struck a nerve as lawmakers and Granholm continue grappling with major budget problems, including how to slow spending in a prison system that costs \$2 billion a year to run.

The Corrections Department also plans to officially close Camp Manistique, a minimum-security facility in the Upper Peninsula, this weekend. The prisoners already have been transferred out.

## **Opinion: The facts clearly favor SCHIP**

*Free Press Editorial – 10.18.07*

Laughable is the word that best describes Republican efforts to naysay expansion of a crucial children's health insurance program. As the U.S. House attempts today to override President George W. Bush's veto of the State Children's Health Insurance Program, conservatives have been blowing a lot of smoke, and distorting a lot of facts. Here are a few of their most insulting talking points:

- **More smokers will have to be created to pay for SCHIP.** The bill is financed by a 61-cent-a-pack tax increase on cigarettes, which covers costs for the first five years. In the second five years, the cigarette tax will not be enough. Congress will have to decide in 2012 whether to restrict enrollment or find new revenue sources. That does not mean they will encourage 22 million new smokers.

- **Families making \$82,600 a year qualify.** This can happen only if the administration grants a waiver. It has already rejected such a request from New York, probably the only state where the cost of living might justify such a request.

- **Childless adults benefit more than children do.** In Michigan, 42% of SCHIP enrollees are childless adults, a program the state started with the Bush administration's blessing. Enrollees' annual income cannot exceed \$3,500; the program is designed mainly to get them preventive care that will keep them out of emergency rooms. Two Republican congressmen (Mike Rogers and Dave Camp) sent a letter supporting the state's application.

In any event, Congress ended this option; it was not in the bill that the president vetoed.

- **Illegal immigrants will qualify.** Not true now, not true in the bill the president vetoed. A provision that may have helped questionable immigrants was put forth in Congress but taken out before final passage. SCHIP goes only to citizens and legal immigrants who have been in the country at least five years.

- **Private insurers will suffer.** Some Republicans worry about crowding insurance companies out of the market, but individual health insurance is out of reach for most families already. Some families may drop on-the-job insurance if SCHIP offers more services at a better price. But it won't be many, and it's better than having them drop all coverage when they're squeezed.

This state is so economically stressed that it's unfathomable any Michigan member of Congress would say no to SCHIP. Families who've had employer provided health care are getting laid off and bought out, or seeing their premiums soar, or finding them unaffordable as they try to stave off foreclosure. There's no decent reason to deprive them of peace of mind over their children's health.

## **Granholm, Detroit Business Leaders Agree: Health Care Strategy Would Produce Jobs for Southeast Michigan**

*Michigan News Wire, 10.15.07 –*

Full story: <http://www.michigan.gov/som/0,1607,7-192-29943-177987--,00.html>

LANSING - Governor Jennifer M. Granholm today joined with Southeast Michigan business leaders in applauding a state health care panel's assessment that a shared health care strategy for the region would help make Michigan a leader in the life sciences industry, creating tens of thousands of new jobs in the future.

"Southeast Michigan represents an untapped life sciences economic development bonanza for the entire state of Michigan," Granholm said. "When we all collaborate to leverage the region's considerable life

sciences assets, our shared vision will make Southeast Michigan a world-class development zone for biosciences, biotechnologies, the health care industry, and pharmaceutical manufacturing."

The Panel on Medical Education and Research was established by the Detroit Regional Chamber and Detroit Renaissance - in cooperation with Governor Granholm - last May to assess medical education, research capabilities, and [indigent health care needs in Southeast Michigan](#). The 18-member panel, chaired by former Congressman and Michigan Senator Joe Schwarz, included representatives from businesses, universities, state agencies, insurers, and local government.

As part of its work, the panel completed a benchmark study of best practices in other regions of the country - including Baltimore-Washington, Boston, Cleveland, Los Angeles, New York, Philadelphia, Raleigh-Durham, San Diego, San Francisco, and Seattle. The study illustrates how other regions have successfully organized their life sciences development efforts - with a clear emphasis on how medical, education, and research institutions can combine effectively to support growth in this sector.

"This report defines the strengths and the deficiencies in medical education and postgraduate training throughout our state and illustrates the potential for collaboration between venture capitalists and researchers in the life sciences," Schwarz said. "We recognize that greater cooperation between our premier healthcare-providing institutions and academic health care training centers is critical to success."

## **Bad Bugs Common; Pros to Fight Them Scarce**

*Wall Street Journal Health Blog – 10.15.07 (Posted by Theo Francis)*

Bad enough that hospitals can't get doctors, nurses and orderlies to [wash their hands](#). It turns out hospitals don't have enough people, well-scrubbed or not, to monitor the bugs that bedevil patients.

[Of nearly 800 hospitals responding to a recent survey, almost half called "inadequate staffing" the biggest problem they faced on the infection front](#), according to data from [Premier](#), a purchasing and quality-improvement group for 1,700 hospitals.

Infection-control specialists are hard to find. These folks make sure that infections don't run amok in hospitals, and work to contain outbreaks when they occur. "There are not that many people who are certified or have the additional education in infection prevention," says Carol Mullin, vice-president of quality and patient safety for Virtua Health, a four-hospital New Jersey chain in suburban Philadelphia. At any given time, a quarter of the 30 or so jobs for hospital infection professionals around Philadelphia are unfilled, she tells the Health Blog.

Small wonder, then, that [Premier's survey found a third of hospitals saying "timely and efficient tracking" of hospital-acquired infections was a top challenge. Nearly half found it daunting that Medicare won't pay for urinary-tract infections stemming from catheter use starting next year](#). Nearly two-thirds said they could improve their process for detecting infections; another 22% called their surveillance process "not timely and efficient." (Full survey results: <http://www.premierinc.com/quality-safety/tools-services/safety/news/downloads/premier-healthcare-associated-infection-survey.pdf> )

## **Hey, Wal-Mart, Kroger's Got \$4 Generics, Too**

*Wall Street Journal Health Blog – 10.12.07 (Posted by Jacob Goldstein)*

[The generics snowball continues to grow, with grocery giant Kroger saying it will now sell more than 300 generic medicines for \\$4 per prescription](#). It's a sweet price for folks without insurance and lower than the co-pays many health plans (including the Health Blog's) impose for generics.

Call it the Wal-Mart effect. The drugs Kroger will sell at this price (online [here](#)) looks a lot like the revised list from the [Bentonville](#) gang — who started the whole \$4 generics thing — [announced](#) last month. Not to be outdone, Target's hit the \$4 bullseye hard, with a [roster](#) of bargain generics.

Wal-Mart touted the addition of \$4 generic versions of Novartis's anti-fungal drug Lamisil and GlaxoSmithKline's blood pressure drug Coreg, both of which recently lost patent protection. Sure enough, both drugs show up on the Kroger list. And certain birth control pills that Wal-Mart just started selling for \$9 are now available for that price at Kroger.

The deal will be good in eight states at stores that go by names including Kroger, Baker's Pharmacy, Smith's Pharmacy and Tom Thumb (see [this](#) list of stores). The Cincinnati Enquirer [notes](#) that the company launched a \$4 generics plan last year, but only in a few markets.

## Children's health care plan heads to veto showdown

CNN – 10.18.07

WASHINGTON -- Congress and President Bush are headed to a showdown with no sign of compromise on a popular children's health care bill .

The House of Representatives is scheduled to vote Thursday on whether to override Bush's veto of a plan expanding the state-run Children's Health Insurance Program.

Though Democrats have pounded Republicans over the issue for two weeks, House GOP leaders predict they will have the votes needed to uphold the veto.

But House Speaker Nancy Pelosi told reporters Wednesday, "We are still in this fight. The president is alone, and he's dragging some of his House members with him down this path," the California Democrat said.

Pelosi vowed Democrats will keep pushing the proposed five-year expansion even if they fail to override Bush's veto. She was also adamant the plan -- which would provide \$35 billion for children's health care and which supporters say will cover 10 million children -- would not be scaled back. "Oh no, 10 million children, we won't scale back one child. Ten million children, thank you," Pelosi said.

"No. No. No," Senate Majority Leader Harry Reid said this week when asked if he was open to a deal on the measure that would provide \$35 billion for children's health care.

The State Children's Health Insurance program matches money from the states to provide health insurance to children in families with incomes too great for Medicaid eligibility, but not enough to afford private insurance.

It currently covers about 6 million children from families with incomes up to 200 percent of the poverty level, or a yearly income of about \$41,000 for a family of four under current national guidelines. The bill the House and Senate passed in September would extend eligibility for the program to about 4 million more children, paying for the expansion with a 61-cent-per-pack increase in the federal tax on cigarettes.

Critics have said their concern is that parents might be prompted to drop private coverage for their children to get cheaper coverage under the bill. Bush said Wednesday that the congressional plan would "encourage people to move from private medicine to the public."

At a news conference, the president said the override attempt would fail. He called for compromise, saying he would support a bill that provided enough money to cover half a million children who aren't covered now. That would amount to \$5 billion, the president says. "I want to provide enough money to make sure those 500,000 do get covered. That ought to be the focus of our efforts," Bush said.

But Reid had said Democrats had gone as far as they would go on a compromise, having come down from an amount of \$70 billion in the original House bill. "We have compromised and compromised and compromised. For the president to come now and say, 'Let's compromise,' is disingenuous," Reid said. "We have squeezed all the juice out of this that we can, and the only thing we're going to agree to is wind up having these 10 million very needy children covered."

Congress sent the legislation to the White House Oct. 2 after the Senate voted 67-29 a week earlier to expand the current SCHIP program. Though 67 votes in the 100-person Senate would suffice to override a veto, the 265-159 House vote on September 25 is short of the two-thirds majority needed.

Forty-five Republicans voted with the Democrats on September 25 to reauthorize the program and direct \$35 billion over the next five years to states to cover children's health-care costs. Eight Democrats voted against the bill.

A new CNN/Opinion Research Corporation poll shows strong public support for a veto override. The poll suggests 61 percent of Americans want Congress to do it, while 35 percent do not.

## Many Pharmacists Now Administer Vaccinations

NPR *Morning Edition*, 10.18.07 – Listen: <http://www.npr.org/templates/story/story.php?storyId=15380907>

As the flu season approaches, you may be thinking about getting a flu shot. Today, there are plenty of places you can go to get it and other vaccines: the supermarket, your workplace and increasingly, the pharmacy. And it's not necessarily a nurse or doctor who will give you your vaccine — it could be the pharmacist...

... The American Pharmacists Association reports the number of states allowing pharmacists to provide vaccines has more than tripled in just 10 years. Today, 46 states allow it. States differ when it comes to rules about exactly which vaccines pharmacists can provide, what kind of training they need, and whether they need the supervision of a doctor.

## Granholt: Urge Congress to Override Bush Veto of SCHIP

*Michigan News Wire* – 10.12.07

LANSING - In her weekly radio address, Governor Jennifer M. Granholm today urged citizens to ask the six Michigan congressmen who voted against the reauthorization and expansion of the State Children's Health Insurance Program (SCHIP) to override the president's veto when the House of Representatives holds a vote next week. The legislation would allow Michigan to extend health insurance to as many as 80,000 uninsured, low-income children in addition to the 55,000 already covered by Michigan's SCHIP program.

"The bottom line is that this bill is good for Michigan's children and good for Michigan's economy," Granholm said. "In order to overturn President Bush's veto of children's health insurance, we need to convince the six Michigan congressmen who voted 'no' to change their votes and say 'yes' to provide Michigan kids with the health care they need."

## Doctors slight insured young

*Associated Press* - 10.11.07

As Washington debates children's health insurance, a startling nationwide study finds that kids who regularly see doctors get the right care less than half the time.

The findings are particularly troubling because nearly all of the 1,536 children in the study had insurance. Eighty-two percent were covered by private insurance. Three-quarters were white, and all lived in or near large or midsize cities.

Experts said the results highlight the importance of the debate over the proposed expansion of the State Children's Health Insurance Program, which Congress approved and President George W. Bush vetoed. A vote to override the veto is set for next week.

The study, by the Seattle Children's Hospital Research Institute and the nonprofit Rand Corp. research group, concludes that, overall, doctors gave children the appropriate outpatient medical care 47% of the time. The research found children's doctors did best in providing the recommended care for acute medical problems -- 68%. They scored 53% for treating chronic conditions and 41% for preventive care.

"I was really taken aback by the results for preventive care," said Dr. Rita Mangione-Smith, lead investigator at the Seattle institute and an associate professor at the University of Washington. "It was really kind of distressing to me that there was some really basic stuff that we should be doing that's just not happening."

The study, based on a 1998-2000 review of medical records of children in 12 metro areas, is reported in today's edition of the *New England Journal of Medicine*. Mangione-Smith said she hopes the new findings will lead to action, such as changing pediatrician training, which now focuses on treating acute illnesses in a hospital.

## Census Data on Children's Coverage: What Do They Mean for States?

*The Commonwealth Fund newsletter – 10.11.07*

On August 28, the Census Bureau released new statistics showing that the number of uninsured children increased from 8 million in 2005 to 8.7 million in 2006. **The percentage of uninsured children has increased two years in a row, after declining or holding steady thanks in large part to SCHIP, which preserved children's coverage rates even while adult rates were on the rise. A breakdown of the numbers indicates that 19.3 percent of children in families with annual incomes below 100 percent of FPL are uninsured.** These findings are particularly ominous given the uncertainty surrounding federal funding levels in coming years for the State Children's Health Insurance Program (SCHIP).

With estimates that a majority of uninsured children—about 5 to 6 million—are actually eligible for but not enrolled in Medicaid or SCHIP, states are placing a greater emphasis on outreach. A national assessment of state outreach strategies in the [Summer 2007 issue of Health Care Financing Review](#) describes how states have shifted from conducting outreach as a means of explaining and getting "name brand" recognition for their SCHIP programs, to adapting their campaigns specifically "to close the gaps in reaching hard-to-reach populations." States seek to close enrollment gaps by identifying a target population, refining the message to best catch the attention of that population, and using strategies most likely to reach that population. For example, states are crafting messages promoting eligibility and the value of health coverage, and bringing those messages to schools, health care providers, employers, and community-based organizations. According to the article, **they are also developing more formal arrangements with local entities to help reach members of communities, all the while placing a strong emphasis on "retaining existing SCHIP enrollees and encouraging use of services."** Target populations include minorities, immigrants, working families, and those living in rural areas.

Also, as employment-based coverage has been steadily declining, states have been picking up some of the slack by expanding eligibility for children (and some adults) in Medicaid and SCHIP. As reported in a [recent issue of States in Action](#) and in this issue's Illinois All Kids Snapshot, **a number of states are implementing or exploring eligibility expansions and options for families to buy in to public coverage, in order to achieve universal coverage for children.**

States' efforts to expand children's coverage and make headway in outreach, enrollment, and retention may be stymied, depending on the outcome of the federal reauthorization of SCHIP. As of September 28, a compromise bill had been approved by the House and Senate that would provide an additional \$35 billion in funding over five years, resulting in a total of \$60 billion in funding for the program. On October 3, President Bush vetoed the bill, as was expected, given his stated preference for adding only \$5 billion to the current \$25 billion baseline of funding. **The Congressional Budget Office has publicly stated that such a small increase in funding would not allow the program to continue at its current enrollment levels, let alone enable states to address the challenges posed by the latest estimates of uninsured.** While there appear to be enough votes in the Senate to override the veto, the same does not hold true in the House of Representatives, making the fate of the compromise bill uncertain as of publication.

## Creating Payment Systems to Accelerate Value-Driven Health Care: Issues and Options for Policy Reform

Commonwealth Fund Report – 9.24.07

Full report: [http://www.commonwealthfund.org/publications/publications\\_show.htm?doc\\_id=522583](http://www.commonwealthfund.org/publications/publications_show.htm?doc_id=522583)

### Overview

This paper is designed to assist health care payers and policymakers to restructure payment systems in ways that will improve the quality of health care and reduce (or slow the growth in) the costs of health care. Drawing on the research and proposals of many researchers and practitioners, it attempts to: summarize the key concepts involved in any discussion of ways to restructure payment systems; catalog the quality and cost problems that current payment systems create; list the key concerns that have been raised about pay-for-performance systems in health care; propose 12 goals that revised payment systems should seek to achieve in order to effectively address the problems; define the specific issues that need to be resolved in order to achieve these goals; describe the primary options for addressing each of these issues; and suggest a general strategy for making progress on payment restructuring.

## Patients Turn to the Internet for Health Information

NPR, *Morning Edition*, 10.11.07 – Listen: <http://www.npr.org/templates/story/story.php?storyId=15166387>

The Internet is changing not just the way patients get medical information, but the way they interact with doctors, their families, and even with strangers.

A new report from the Pew Internet & American Life Project gives a glimpse of some of that change. It studies people with disabilities and chronic conditions, who are some of the most avid users of Internet health sites. Fewer of them go online than the overall population, probably because many are elderly, a group that is still less likely to use the Internet. But when people with disabilities and chronic conditions do use the Internet, they are more likely than other users to look up health information and use that knowledge to question a doctor, manage pain or change the way they cope with a chronic condition.

Half of those online searches are done on behalf of someone else, says Susannah Fox of the Pew Internet & American Life Project and author of the new report. "When someone gets sick, people aren't just bringing flowers or a hot dish," Fox says, "because it's not always the patient that can handle the research. It's the friends and family who surround them who are able to do that research on their behalf."

Fox says that as online health information becomes more common, the Internet is changing everyone's role in medicine. At first, doctors were reluctant to give up their position as the primary source of medical information. "When we did our first health study in the year 2000," Fox notes, "the American Medical Association sent out a press release asking patients to make a New Year's resolution not to go online."

But patients wanted more information. They kept going online, often without telling their physicians. So doctors adapted. "Things have really changed in the last seven years," Fox says. "A 2005 study by the National Cancer Institute found that most doctors want to hear from patients about the research that they're doing online. However, e-patients tell us that they don't always talk to a doctor about what they find online. They're nervous about challenging a doctor."

The new study shows that the patients most likely to use Internet research to challenge a doctor are those with disabilities and chronic conditions.

**Evaluating Medical Information Online:** The Medical Library Association offers guidance on how to find accurate health information on the Internet: [A User's Guide to Finding and Evaluating Health Information on the Web](#) and ["Top Ten" Most Useful Consumer Health Web Sites](#)

## E-patients With a Disability or Chronic Disease

*Pew Internet and American Life Project – 10.8.07*

Full report: [http://www.pewinternet.org/PPF/r/222/report\\_display.asp](http://www.pewinternet.org/PPF/r/222/report_display.asp)

About a fifth of American adults say that a disability, handicap, or chronic disease keeps them from participating fully in work, school, housework, or other activities. Half of those living with a disability or chronic disease go online, compared to 74% of those who report no chronic conditions. Fully 86% of internet users living with disability or chronic illness have looked online for information about at least one of 17 health topics, compared with 79% of internet users with no chronic conditions.

Those with chronic conditions are more likely than other e-patients to report that their online searches affected treatment decisions, their interactions with their doctors, their ability to cope with their condition, and their dieting and fitness regimen.

In addition to providing national telephone survey data, this report includes quotes from online essays written by members of an online support group, the Association of Cancer Online Resources (ACOR.org).

## McCain Backs Retail Clinics, Pay for Performance

*Wall Street Journal Health Blog – 10.11.07 (Posted by Jacob Goldstein)*

Today John McCain will become the last of the major [presidential candidates](#) to release a health-care plan. While his Republican rivals (and would-be Democratic opponents) have aimed to reduce the ranks of the uninsured and control health costs, [Sen. McCain's plan seems to tilt more toward cost controls](#).

This morning's WSJ lists a few of McCain's ideas. He'll support walk-in clinics that have been springing up in places like Wal-Mart and chain drug stores like Walgreens and CVS.

[He'd also use Medicare as a "lever" to change the way physicians are reimbursed, with more payments for coordinating patient care, and cuts in payments for preventable errors and unnecessary hospitalizations.](#) A doctor treating a patient with a chronic disease such as diabetes might be paid by the month, and the payment could be affected by "performance," The New York Times [reports](#).

The NYT doesn't say how performance would be measured, but the WSJ notes that McCain would create national standards for measuring treatments and outcomes. No patient left behind, the Health Blog wonders?

[McCain will also push for generic biotech drugs and shifting some care to nurse practitioners, the WSJ says. And he'd offer a tax credit of \\$2,500 per person or \\$5,000 per family to help people buy insurance.](#)

## Lawyers to Docs: Lump It. Insurers Can Rate You

*Wall Street Journal Health Blog 10.9.07 (Posted by Theo Francis)*

Doctors, regulators and health plans have been butting heads over how, and even whether, plans can rate some doctors as better than others.

Now three George Washington University public-health professors and attorneys have put together a [legal analysis](#) of the practice. Their conclusion: [Get used to the rating game, docs. Nothing in the law prevents insurers from publicly ranking doctors — provided they do it right](#), the three say. That means applying clear criteria transparently, with an established process for fixing any problems that crop up.

The health insurers say they just want to steer members to better, and often cheaper, care. Docs claim the rankings are arbitrary, error-prone and driven by cost more than quality. New York's Attorney General, Andrew Cuomo warned Aetna and Cigna that the practice could mislead patients and told UnitedHealth in July not to roll out its rating program in New York without his approval.

"In short, it is not classification based on quality that is illegal," the George Washington lawyers write, "nor is it publication of information regarding health care quality that is illegal: it is undertaking these efforts in an opaque manner that tends to lead to legal backlash."

Still, the legal eagles warn that health plans do face a host of potential pitfalls if they screw up, ranging from allegations of defamation and breach of contract to consumer fraud and RICO. (That's the Racketeer Influenced and Corrupt Organizations Act, better known as a tool to prosecute the Mob.)

The analysis was funded by the Robert Wood Johnson Foundation, which supports physician rankings as a tool to improve medical care; it was published yesterday in BNA's Health Care Policy Report.

## Following President's Veto, White House Officials Optimistic for Compromise

*Cover the Uninsured, from Washington Post, 10.04.07*

President Bush's veto of the \$35 billion expansion of the State Children's Health Insurance Program (SCHIP) has left him "as politically isolated as he has ever been and had even Republican allies questioning his hard-line strategy." [Bush hopes to renegotiate the bill with a lower budget amount, but key Democrats and fellow Republicans seem unwilling to compromise and are hoping to override Bush's veto](#), the *Washington Post* reports.

Several highly-ranked Republicans, including Senator Orrin Hatch (R-Utah) and Senator Charles Grassley (R-Iowa), stand with Democrats on the expansion of SCHIP but have been unable to get the White House on their side. By delaying the override vote until October 18, Democrats hope that grassroots support from health care advocates will pressure key legislators who may help to override the veto.

Administration officials said that the president "is open to negotiations and is willing to include a 'little more money' if it is aimed at enrolling more low-income children." Bush prefers to expand coverage through tax breaks instead of through government programs like SCHIP. However, according to Senator Ron Wyden (D-Ore.), in "more than 20 phone calls and meetings" the White House "was never willing to go beyond Bush's far more limited health-care tax proposals." As a result, Grassley and Hatch, along with other key Republicans, teamed with the Democratic majority on the expansion of SCHIP in the current bill.

### **OPINION: Bush's Veto Gives Congress Second Chance**

*Cover the Uninsured, from Detroit News, 10.0.07*

President Bush's veto of the State Children's Health Insurance Program (SCHIP) bill "gives Congress a chance to go back and pass a more realistic measure that sticks to the mission of providing health care to the nation's needy children," a *Detroit News* editorial states.

According to the editorial, Bush "had supported increasing funding" of SCHIP by \$5 billion to "ensure that more kids whose parents can't afford health insurance get coverage," but he "couldn't support--and the nation can't afford--a \$35 billion increase in the program that would have added middle-class families to the public health tab." The editorial states, "Opponents of the expansion are being pegged as anti-child. That's not the case. They are resisting adding further debt to a federal budget that is already way out of balance."

### **Granholt to State's Congressional Delegation: Do the Right Thing, Support Michigan's Children**

*Michigan News Wire 10.10.07*

LANSING - Governor Jennifer M. Granholm today joined U.S. Senator Debbie Stabenow, state legislative leaders, health care providers and advocates in urging the Michigan congressional delegation to be united in its support of Michigan's children by voting to override the president's veto of the Children's Health Insurance Program (SCHIP) Reauthorization Act of 2007.

Granholm said a united, bipartisan Michigan congressional delegation could help ensure that the president's veto will be rejected and that more children are given important access to health care under the program.

"This legislation represents a promise to every Michigan child who needs a vaccination, insulin, and other medical services," Granholm said. "It will ensure that more of our state's neediest kids can be seen by a doctor and have access to medications and medical care. Every member of Congress, especially those from Michigan, should do the right thing and support Michigan's children by voting to override the president's veto."

Last week, President Bush vetoed a bipartisan bill that would have protected the 55,000 Michigan children who are currently supported by this program every month. The vetoed bill would provide the state with a 44 percent increase in funds, allowing Michigan to cover as many as 80,900 additional children under the program.

At a roundtable discussion at the Ingham County Health Department, Granholm and Stabenow discussed the importance of the SCHIP program to Michigan's children. While expressing disappointment over the president's veto, Granholm applauded members of the congressional delegation who voted for the legislation, including Republican members U.S. Representatives Fred Upton, Vernon Ehlers and Candice S. Miller. Granholm also recognized U.S. Representative John Dingell and Senator Stabenow who played key roles in developing this legislation.

The SCHIP reauthorization bill would provide Michigan with new resources and tools to provide coverage to thousands of uninsured Michigan children. Michigan children who do not currently have insurance are eligible for Michigan's SCHIP program - commonly known as MICHild - if their families make up to 200 percent of the federal poverty level, which is about \$41,000 for a family of four. This program has been very successful and is one reason Michigan has one of the lowest uninsured rates for children in the country.

Without MICHild, 55,000 children in Michigan would have no way to pay for any type of medical service, including outpatient services, emergency room visits, preventative checkups, health screenings, some immunizations, and primary care visits, to name just a few.

Granholm is encouraging citizens to contact their congressional representative and voice support for SCHIP reauthorization before Thursday, October 18 - the day Congress is expected to vote on the veto override.

### **Ads target Republicans in children's health insurance veto fight**

*CNN – 10.9.07*

WASHINGTON -- As House members are at home for the Columbus Day weekend, a coalition of labor and advocacy groups is stepping up the battle over the federal children's health-care program, known as SCHIP.

The coalition, which includes the AFL-CIO and MoveOn.org, rolled out a nearly \$1 million television ad campaign and is targeting about 20 Republicans to vote to override the president's veto of the bill.

The national ad, sponsored by [Americans United for Change](#), an umbrella group of liberal organizations, is running on cable networks. It includes images of a baby and other children with an announcer saying "George Bush just vetoed Abby." The coalition also promises to rally activists in districts of another 20 House Republicans over the next two weeks.

This push by Democratic groups comes on top of the Democratic Congressional Campaign Committee's efforts to zero in on eight House Republicans who opposed the bill. The campaign arm started running radio ads and funding automated calls to voters last week in districts it considers competitive for Democratic challengers.

Sunday, House Speaker Nancy Pelosi, D-California, sounded cautiously optimistic in an interview with Fox News about her party's chances.

"We take it one day at a time," Pelosi said, adding that Democrats needed "less than 20 votes" in the House to get the two-thirds vote required to override the veto. Pelosi admitted Democrats needed to "peel off" 14 Republicans who voted against the bill last month. A vote in the House is scheduled for October 18.

On Sunday, Health and Human Services Secretary Mike Leavitt told the Associated Press he expected the House to sustain the president's veto. [Leavitt also told the AP President Bush was willing to work with Democrats to reauthorize the current program, which covers children from families with incomes up to 200 percent of the poverty level, and to increase funding by 20 percent.](#)

"The president knows bad policy when he sees it," Leavitt told the AP. "But we need to have a serious conversation that involves all of the points of view."

In his weekly radio address Saturday, Bush said, "If putting poor children first takes a little more than the 20 percent increase I have proposed in my budget for SCHIP, I am willing to work with leaders in Congress to find the additional money."

Forty-five Republicans voted with the Democrats September 25 to reauthorize the program and direct \$35 billion over the next five years to states to cover children's health-care costs. Eight Democrats voted against the bill.

Despite the two-week delay on the override vote, designed to pressure Republicans, House GOP leaders sounded confident heading into the weekend that there would not be any additional Republican defections.

House Democratic Whip James Clyburn of South Carolina said if the veto is upheld, House Democrats should push for an even broader version of the children's health-care bill, even if it is opposed in the Senate. He argued Democrats would gain politically if Republicans blocked the program.

## **Bush Administration to Negotiate on Kids' Health; Will Dems?**

Wall Street Journal Health Blog – 10.8.07 (Posted by Jacob Goldstein)

The Bush administration is making more gestures toward negotiation on the State Children's Health Insurance Program. But before Democrats give any ground, they're going to try next week to override Bush's recent veto of a bill that would expand SCHIP by \$35 billion over five years.

"It's not in anyone's interest to have this unresolved," HHS Secretary Michael Leavitt told the WSJ over the weekend, [reports](#) the WSJ blog Washington Wire. "Children need coverage, states need certainty."

The Washington Wire post continues: Leavitt said President Bush wants to negotiate with Democrats in Congress but he "wants to get the policy right." The administration said the legislation Congress passed — and which Bush vetoed last week — would put the federal government on the hook for funding coverage for children at higher income levels. "We need to focus the program on its intent" of covering children at the lower end of the income scale, he said. The House plans to try to override Bush's veto on Oct. 18, but Democrats appear to be roughly 14 votes shy of the 288 needed to succeed. "We'll play through the veto-override vote. I think [the veto] will be sustained," Leavitt says. "And then we'll go from there."

Democrats don't appear to be in a compromising mood. "First they said we'd never come to a bipartisan compromise. When we did, they said we'd never get it passed, and we did overwhelmingly," House Speaker Nancy Pelosi (D., Calif.) told Fox News. "So we take it one step at a time. And right now, we have the next 10 days to two weeks to try to peel off about 14 votes in the House."

## **Many Uninsured without Coverage for at Least Four Years**

The Commonwealth Fund newsletter - 10.3.07

About 17 million uninsured Americans have gone without coverage for at least four years, according to an analysis released Wednesday by the Agency for Health Care Research and Quality.

Almost one-third of that group was middle income, meaning they had household incomes between two and four times the federal poverty level under the definition used in the study. That meant a household income between \$38,614 and \$77,228, for a family of four in 2004, the "base year" of the data examined in the study.

Americans with incomes below the poverty line — \$19,307 for a family of four in 2004 — made up about 25 percent, or four million people, in the group, termed by AHRQ researchers as "continuously uninsured."

Seventeen percent of Hispanics were continuously uninsured, compared to 7 percent of blacks and 4 percent of whites. According to the most recent U.S. Census figures, 47 million Americans were uninsured in 2006.

## **Health plans have barriers, group says**

*Free Press – 10.8.07*

Too many of Michigan's health plans, particularly Medicaid health maintenance organizations, impose barriers to getting prescription drugs that help people manage symptoms for asthma, heart problems, diabetes and mental illness, a Grand Rapids health institute concludes in the state's first rankings on the issue.

The report is to be released later today by the Grand Rapids African American Health Institute, a nonprofit health education and advocacy organization. It rates 21 Michigan plans and the Department of Veterans Affairs on obstacles that keep patients from getting prescription medicines for four of the nation's biggest health problems. The ratings have particular significance for African Americans because they have higher rates of the four diseases or have higher risks for them, the institute said.

The top-ranked commercial health plan was Blue Cross and Blue Shield of Michigan. Health Plan of Michigan received the best ratings for a Medicaid HMO. Only three Medicaid HMOs ranked in the top 10 for overall access.

The lowest rankings went to two Physicians Health Plan of Michigan products; Veterans Affairs; Great Lakes Health Plan, and Total Healthcare, all with below-average ratings.

Obstacles include high drug co-pays; requiring patients to obtain special permission for some prescription drugs, or requiring doctors to try cheaper drugs before they can prescribe costlier, potentially more effective ones.

Studies "clearly demonstrate that when consumers are required to pay more for drugs, they use them less," said Dr. Khan Nedd, the institute's chairman. Nedd said the institute is working with health plans to improve access to needed drugs. The issue is important, he said, because many consumers pick a health plan blindly, without knowing whether they can easily get medicines to control their chronic health problems.

The institute picked the four classes of drugs because the conditions adversely affect African Americans, Nedd said. He said he hopes the report circulates widely so Medicaid patients, in particular, know how plans fared before April, the next time the patients can enroll in or change health plans.

T.J. Bucholz, spokesman for the Michigan Department of Community Health, which oversees the Medicaid program, said the state works hard to ensure equal access to prescription drugs among Medicaid members. "We will redouble our efforts to make sure our HMOs are not an obstacle," he said.

### **Senate faces choice on Medicare fix**

*Free Press 'Local Comment' – 10.8.07 - BY RONALD DAVIS AND WILLIAM NOVELLI*

The promise and hope of Medicare have always been that older Americans and the disabled would have high-quality, affordable health care coverage. That promise is quickly eroding for the 1.4 million Medicare patients in Michigan.

Over the next two years, the government will slash Medicare physician payments 15%, and fully 60% of physicians say they will be forced to limit the number of new Medicare patients they can treat if the first cut occurs next year. In addition, Medicare premiums continue to skyrocket, having doubled since 2000.

Older Americans are already beginning to feel the impact of Medicare's current physician payment rates, which are now at 2001 levels. About 25% of Medicare patients seeking a new primary care physician already have problems finding one, according to MedPAC, the commission that advises Congress on Medicare. Couple that fact with a government-predicted shortage of 85,000 physicians by 2020 and the first wave of baby boomers turning 65 in three short years, and the future for Medicare patients' access to care is bleak, unless we take steps to turn the tide.

AARP and the American Medical Association -- the nation's largest organizations, respectively, for people over age 50 and physicians -- have joined forces to support congressional action to stop the next two years of Medicare cuts to doctors and instead update payments to help cover increasing costs, limit premium increases for seniors, and help low-income seniors with their out-of-pocket health care expenses. To help low-income seniors with their health care and prescription drug costs, a House-passed bill also raises asset test limits to stop penalizing low-income savers. Now the Senate must act.

For Congress to take these important and necessary actions without putting the burden on the backs of Medicare patients, the House voted to level the playing field between payments to private health plans under Medicare Advantage and traditional Medicare. With Medicare Advantage plans paid more than traditional Medicare -- and only covering one in five Medicare patients -- the private insurance industry is reaping a \$54-billion subsidy. That money comes from the pockets of taxpayers and adds to already high Medicare premium increases. When the insurance companies started offering Medicare Advantage plans, they promised that managed care would help save money. Instead, they're collecting a windfall.

Restoring the balance will make it possible for Congress to stop cuts to doctors who care for Medicare patients and to add important new benefits such as preventive care and help for low-income Medicare patients -- all without raising Medicare premiums. Yet, to date, some senators have resisted eliminating the excess payments to the insurance industry.

Older Americans are relying on Congress to take action now so that they can get the medical care they need. **If Congress fails to act, Medicare patients will pay the price with reduced access to health care and continued higher premiums. Military families whose government health care is tied to Medicare payment rates will also suffer. In fact, we should all be worried about Medicare's ability to keep its promises.**

The Senate has a choice: Keep this country's long-term commitment to keep Medicare strong -- or keep subsidizing big insurance. Seems like an easy call to us.

*RONALD M. DAVIS, MD, is a preventive medicine specialist from East Lansing who is president of the American Medical Association. WILLIAM NOVELLI is chief executive officer of the AARP.*

## Lawmakers to Challenge Bush on SCHIP Veto

NPR, *Morning Edition*, 10.4.07 – Listen: <http://www.npr.org/templates/story/story.php?storyId=14980830>

President Bush vetoed a bipartisan bill on Wednesday that would have expanded a popular health insurance program for poor children, saying it pushed the country toward national health care and carried an excessively high price tag.

Some of the president's biggest opponents on this issue are Republicans, and a serious attempt to override the veto is expected later this month.

For weeks, President Bush has been promising to veto the State Children's Health Insurance Program, and yesterday he made good on that pledge. But there was no ceremony to mark the occasion — a sign of just how politically sensitive a veto of the SCHIP bill is. The legislation won bipartisan support in Congress, and polls show the public is overwhelmingly on the side of the bill's supporters.

The president's first comments on the matter came Wednesday morning in Lancaster, Pa., at a town hall-style meeting on the broad topic of fiscal responsibility. The president told the group that it is right to help poor children, but he said some people were using this bill as a step toward federalized health care. He said the SCHIP bill went too far.

"Here's the thing, just so you know, this program expands coverage, federal coverage, up to families earning \$83,000 a year," he said. "That doesn't sound poor to me. The intent of the program was to focus on poor children, not adults or families earning up to \$83,000 a year."

But supporters of the bill immediately seized on that claim and said it was not true. Republican Sen. Orrin Hatch of Utah, a loyal supporter of the Bush White House, responded angrily to the president during a Capitol Hill news conference. "Are families of four making \$83,000 going to get benefit(s) under this? Not unless the administration agrees to it. This bill does not call for that high level of expenditure," Hatch said.

Hatch explained that the only way such families would get SCHIP coverage would be if their states petitioned the administration for a waiver — just like under the current program. When New York, made such a petition, the Bush administration turned it down. The new law would be the same, Hatch said, and even if the White House were willing to grant waivers, such families would make up just a tiny percentage of those eligible.

"To call this a step toward one-size-fits-all, government-mandated health care is just political in my view," he said. "This is a block grant. States have tremendous power over this bill — not total power, but power."

Hatch said he found the veto difficult to understand, and senior Republican Sen. Charles Grassley said the same thing. "Every effort was made to bring the administration into the process, but it decided to veto the bill, I think, before it was even written. From their position, it was either my way or the highway. Well, that's not how the legislative process works," the Iowa senator said.

The president continues to promote his own, more modest proposal, which would increase funding for the program by one-seventh as much over five years. Grassley and others said this would not cover even the current enrollment in SCHIP. On Wednesday, President Bush said he is willing to negotiate "if they need a little more money."

An attempt to override the president's veto is expected on Oct. 18. The two-thirds majority appears to be there in the Senate, but in the House, supporters still need 15 more votes. Grassley said he will begin calling targeted Republicans immediately. In the meantime, labor groups and others are planning rallies and television advertisements. The president is also expected to continue making his case.

## Practice of Hospital Apologies Is Gaining Ground

NPR, *All Things Considered*, 10.6.07 · Listen:

<http://www.npr.org/templates/story/story.php?storyId=15073418>

Until recently, doctors who wanted to apologize for medical errors were not allowed to do so. They were told an apology can be interpreted as an admission of guilt. But that attitude is slowly changing. The practice of apologizing for medical errors is gaining ground across the country, and helping hospitals avoid costly lawsuits.

## Microsoft opens personal health record site

*Associated Press*, 10.5.07

SEATTLE -- Microsoft Corp. launched a Web site Thursday for managing personal health and medical information, but privacy advocates worry that neither the technology nor U.S. law will protect patients' most confidential details.

From the consumer's point of view, Microsoft's HealthVault site is part filing cabinet, part library and part fax machine for an individual's or a family's medical records and notes. The free site can store medical histories, immunization and other records from doctors' offices and hospital visits, including data from devices like heart monitors. It is also tied to a health information search engine the software maker launched last month.

Users can dole out access to different slices of their health data via e-mailed invitations to doctors, family members and other people as the need arises.

Microsoft has been kicking around the idea of a health site since at least 2000, when Chief Executive Steve Ballmer described a "health vault" in a speech to financial professionals in New York.

The software maker isn't the first to jump into the ring. Across the country, groups of providers are starting "regional health information organizations" to share data electronically. Insurance providers and private companies market their own flavors of patient-controlled storehouses of records, and employers including Wal-Mart Stores Inc. offer such tools to workers.

Steve Case, co-founder of AOL, has launched Revolution Health, an information Web site that offers a records management tool for paying members, and Google Inc. has indicated it will launch its own service.

The HealthVault site works with different operating systems and browsers, but Microsoft may have an edge with Windows desktop applications. The company launched one such program Thursday that helps upload data from devices like heart rate monitors.

The HealthVault site itself doesn't do much more than provide a window into stored information and a mechanism for sharing it. Microsoft hopes hospitals, doctors' offices, advocacy groups and insurance companies will build Web applications that patients will want to use.

The American Heart Association, American Lung Association and other organizations already have applications in the works, Microsoft said. And devices including blood glucose monitoring systems made by Johnson & Johnson will be able to upload data into the system. Microsoft said CapMed, which already markets personal health record tools, also plans to create an application for HealthVault, as does Kryptiq Corp., whose program will help doctors send and receive information from HealthVault with technology they already use.

Microsoft said it plans to support HealthVault with advertising revenue from the search portion of the site.

In an interview, Sean Nolan, chief architect of the company's two-year-old Health Solutions group, characterized this "beta" launch of HealthVault as an early step into a difficult industry.

For one thing, there's no guarantee any two providers will call the same treatment or lab work by the same name. Then, many health records are not yet ready to be handled this way. Between 80 percent and 85 percent of doctors in private practice don't keep electronic records, and hospitals aren't much better, according to Lynne Dunbrack, program director of market research group Health Industry Insights. Paper records can be scanned or faxed to create an electronic version.

When it comes to technology, health care is "where other industries were in the 1980s," Dunbrack said.

As the industry increases its use of data sharing, opportunities for privacy violations will multiply, said Sue Blevins, president of the D.C.-based think tank Institute for Health Freedom.

The 1996 Health Insurance Portability and Accountability Act, or HIPAA, gives hospitals, doctors, insurance companies and other related entities access to patients' records without consent for various purposes.

This alone troubles Blevins, but "adding electronic ease just magnifies the problem," she said. Patients need to be able to control their own data, she said.

With HealthVault, Microsoft tried to build in protections from the start, spelling out exactly what data is shared each time the user connects to a new application or gives someone new permission to see a record.

What Microsoft is doing "is very, very good," Blevins said, but she added that she still has concerns about who really owns data that live on Microsoft servers, or what happens to records when someone dies.

While consumers have been willing to send financial details over the Web in spite of identity-theft horror stories, many still consider private medical information too sensitive to put online.

"Financial information is certainly sensitive, but medical information adds another whole degree of concern, when it's HIV test results or information regarding mental health treatment," said Reece Hirsch, a partner at the law firm Sonnenschein Nath & Rosenthal in San Francisco. "There's a lot of emotional distress associated with inappropriate disclosure of that information."

Microsoft's HealthVault isn't subject to many of HIPAA's rules or state medical privacy laws, because it's seen as the digital equivalent of patients asking doctors to fax them a copy of their records. But the software maker must still grapple with whether sharing data exposes it to greater financial risk in the event that hackers get their hands on confidential medical data. Many state-level security breach notification laws have been passed in the last couple of years, giving identity theft victims the ability to sue companies whose systems are hacked or whose computers are stolen, Hirsch said. The health care industry is just one U.S. sector that's treading lightly as a result.

Some of the best sources of comprehensive health records data, major insurance companies, haven't agreed to build applications that work with HealthVault. But even if Microsoft were able to get providers and insurance companies to feed data into HealthVault, it's not clear consumers will use it.

Dunbrack, of Health Industry Insights, said most people who have access to a way of managing their medical records online don't even know it exists. "Historically, personal health records have had really pretty abysmal track records," she said

## **Health Reform: It's the Culture, Stupid**

*Wall Street Journal Health Blog – 10.7.07 (Posted by Ron Winslow )*

The non-partisan Aspen Institute wants presidential candidates to say how they would change the health system's dysfunctional culture—not just address matters of cost and access to care.

And the think tank is working on an initiative with some heavy-hitters that, among other things, aims to provide a checklist to voters so they can evaluate how far candidates' health proposals go toward solving fundamental problems in the system.

"The seeds of true reform will be found at the intersection of good science, good economics and culture," [Mark Ganz](#), president and CEO of The Regence Group, said near the end of the inaugural [Aspen Health Forum](#), which wrapped up over the weekend at the institute's sprawling campus in the Colorado Rockies.

But, he warned, "Simply expanding coverage in the current model isn't . . . sustainable. It isn't even reform," Ganz told the Forum's attendees. He attributes the health system's ills to a "control paradigm" that is "completely out of step with every other sector of the economy."

## Microsoft Beats Google on Health Launch

*Wall Street Journal Health Blog – 10.7.07 (Posted by Jacob Goldstein)*

Microsoft finally beat Google at something. The company just released a "software and services platform" that will allow people to store their health information online. It's the sort of project Google's been [making noises](#) about for a while – but Microsoft delivered first.

Here's a screen shot Microsoft's press people send us of what the ubermerds of Redmond have been working on:



It's called "HealthVault." The unsubtle attempt to make the system sound like Fort Knox makes sense, given both Microsoft's long history of security problems and widespread worries over the vulnerability of online health info.

The site's up now ([healthvault.com](http://healthvault.com)), and it includes a fairly elaborate search function and a place for consumers to store health records online. There's also a "connection center" that allows people to upload data from devices such as glucose and blood pressure monitors. That could be the real place where HealthVault succeeds or fails: Microsoft hopes docs, hospitals and device makers, among others, will write software to work with HealthVault and turn it into the Office software suite of the health world. Anybody who wants to can download the HealthVault development kit [here](#).

In a statement, Microsoft said today that “more than 40 applications and devices” will be available on HealthVault (“now or in the future”) from institutions ranging from the American Heart Association to New York-Presbyterian Hospital to LifeScan, a J&J subsidiary that sells glucose monitors.

The statement didn’t say what these applications and devices are or will be, but Microsoft’s ambitions are clear enough. “With a new platform provided by Microsoft based on compatible Internet and health-care technology standards, organizations no longer need to spend development time working to connect a range of applications and devices,” the statement said.

## **Dingell: Bush’s veto of health care plan for kids can be overridden**

*Free Press – 10.8.07*

U.S. Rep. John Dingell said he believes he has a chance of getting enough congressional support to override a presidential veto of his expanded health care plan for children.

The Dearborn Democrat appeared today at Oakwood Hospital in Dearborn, and said he’s working to get the votes to override President George W. Bush’s Oct. 3 veto of the State Children’s Health Insurance Program Reauthorization Act (SCHIP). House Democrats plan to hold an override vote on Oct 18, Dingell said. Republicans have said they can sustain the veto.

SCHIP covered 6.6 million low-income children whose families are not eligible for Medicaid insurance but who cannot afford private health insurance. In Michigan, the program, known as MICHild, covers about 55,000 children monthly. If approved, the bill would have extended coverage to an additional 4 million children nationally and as many as 25,000 in Michigan.

“We have no other choice but to override this veto,” Dingell told the group of doctors, nurses and others at a news conference. Dingell wrote the legislation, which called for spending \$35 billion over five years to expand the benefits to \$60 billion.

Bush and other critics said the measure would have expanded the program to cover middle-class children and raised taxes. The bill would have been funded by a 61-cents-per-pack increase in the tobacco tax.

## **Pass kids' health care plan over veto**

*Free Press Editorial – 10.3.07*

An undeservedly quarrelsome future awaits the State Children's Health Insurance Program, known as SCHIP, based on a veto expected today from President George W. Bush and new administrative rules being challenged by eight states.

Michigan did not join lawsuits led by New York and New Jersey's governors over the new rules, because they do not affect the state, at least for now. Instead, Michigan put its hopes on Congress, which enacted a bipartisan bill that not only voided the rules but raised funding -- an increase that translated to \$60 million for Michigan and the ability to cover about 80,000 more children, by one estimate.

The new rules from the Bush administration prohibit any variation from strict income limits. SCHIP is designed to help working families who make too much to qualify for Medicaid but do not have enough resources to pay for health insurance. The administration enforced a top limit set at 250% of the poverty level -- a workable cap in some places but an unrealistic one for high-cost states such as those in the Northeast.

The Bush administration has stood fast on its assertion that SCHIP should focus only on the very poorest children, even though health care is becoming unaffordable for middle-income families, too. Bush also has talked about SCHIP expansion as a foot in the door for nationalized health care. But that contention looks thin -- and nakedly political -- when most states administer the program through private insurers and managed care companies.

Congress, to its credit, wrote a bipartisan SCHIP bill to get health insurance to more children without deficit spending. Lawmakers sent the bill to cigarette smokers via a 61-cent-a-pack tax increase.

The final legislation was a solid compromise that drew a veto-proof majority in the Senate, though not in the House. Still, a Bush veto may inspire some House members to change their minds and avoid the heat of further negotiation. Surely this country can keep children from suffering even as the political acrimony grows over health care for everyone else.

## **Granholm defends Medicaid; Governor says no removals from health program**

*Free Press – 10.2.07*

LANSING -- With the politically perilous vote to raise taxes behind them, state lawmakers will turn their attention to cutting \$435 million from the state budget. It won't be much of a reprieve.

Gov. Jennifer Granholm threw down a gauntlet Monday: No cutting people off Medicaid to balance the budget.

"We are not going to cut people off Medicaid, we are not going to cut grandparents who care for children in their families, we are not going to cut people off health care," Granholm told reporters.

But she'll run into determined Republicans who aim to trim not just Medicaid costs, but just about every state department as well.

The \$435-million target for cuts was agreed to in the plan to erase a \$1.75-billion deficit. Most of the deficit would disappear by raising the income tax and imposing the 6% sales tax on some services. Although \$435 million is a fraction of the \$20 billion the state will spend on schools and government (excluding federal money), deciding how to spread the pain could create another ideological clash between Republicans and Democrats.

Only a few areas of state spending are large enough to remove sizable chunks without gutting them -- prisons, universities and public schools, and Medicaid for low-income people and nursing home payments.

Sharon Parks, of the Michigan League for Human Services, said she is nervous about likely attempts to trim spending on social services that assist poor and vulnerable people.

For instance, Senate Republicans propose eliminating Medicaid for illegal immigrants. Parks said the problem is that some legal immigrants don't have documentation that would be needed to be eligible for Medicaid, so they might be shut out of regular health care.

"I don't think we want unhealthy people in our communities and schools," Parks said. "We're foolish not to offer medical care for people who need it."

Senate Majority Leader Mike Bishop, R-Rochester Hills, said Granholm must confront the cost of Medicaid, which he called a broken system. He said 1 million Michiganders don't have health insurance but have access to health care, though he admitted that is often in emergency rooms. That's expensive for hospitals to absorb.

Bishop said a significant measure would be giving incentives to Medicaid recipients to adopt more healthy lifestyles to prevent disease, such as eating healthier foods and not smoking.

## **States Sue Bush Over Kid Insurance**

*Associated Press – 10.1.07*

Several states said Monday they would challenge the Bush administration in federal court over its new rules that block the expansion of a health insurance program for children from low-income families.

Arizona, California, Illinois, Maryland, New Hampshire, New Jersey, New York and Washington are joining in the litigation, either as plaintiffs or by filing supporting briefs.

The states object to rules issued by the Bush administration in August that make it harder for them to provide coverage to children in middle-income families by limiting the total income of families who participate. The states accuse the administration of overstepping the federal government's authority to set income limits for participants in the State Children's Health Insurance Program.

The lawsuit and supporting briefs, which will be filed in federal district court for the Southern District of New York, are another battle between Democrats and the Bush administration over the program that covers 6.6 million children from modest-income families that aren't poor enough to qualify for Medicaid. The federal program was set to expire but has been temporarily continued until Congress and the administration can reach a funding agreement.

## **GOP Lawmakers Fear Backlash from SCHIP Veto**

*NPR -Weekend Edition Sunday, 9.30.07*

Listen: <http://www.npr.org/templates/story/story.php?storyId=14841095>

This week, President Bush is expected to veto legislation that would add \$35 billion to the State Children's Health Insurance Program. That's causing problems for vulnerable Republicans in Congress, who fear being on the wrong side of a popular issue.

## **Medicare Premium Rise Lowest in 6 Years**

*Associated Press – 10.1.07*

WASHINGTON -- Elderly and disabled people will see their monthly Medicare premiums rise 3.1 percent next year to \$96.40 — the lowest increase in six years. The good news is temporary, though.

The formula used to calculate the premium assumes that physicians will take a 10 percent cut in their reimbursement rates next year, an unlikely occurrence. If, as expected, Congress acts to offset some of that pay cut or to eliminate it, premiums in future years would go up to reflect the additional expense.

Another factor leading to a lower increase in premiums than in past years was the fixing of an accounting error that otherwise would have added \$2.50 to beneficiaries' monthly premiums in 2008.

The Medicare program pays for most of the health care received by about 43 million elderly and disabled people. The program's expenses have soared in recent years as health care costs go up faster than most other segments of the economy and as more people join the program.

Beneficiaries will be most concerned about expenses in two key segments of Medicare:

First, there is Medicare Part A, which covers inpatient hospital and hospice care as well as short stays in nursing homes. For this program, participants don't pay a monthly premium. However, they do pay a deductible when they have to go to the hospital. That deductible will increase from \$992 to \$1024 next year.

Second, there is Medicare Part B, which covers services received at the doctor's office and in outpatient settings. The program also pays for medical equipment such as wheelchairs and oxygen tanks. About a quarter of the revenue for this program comes from beneficiaries' monthly premiums. The vast majority of participants will pay the \$96.40 premium next year, though wealthier participants will pay more.

Officials said an accounting error occurred beginning in May 2005 when Medicare Part B paid for certain hospice benefits that should have been paid for by Medicare A. Fixing that error will give beneficiaries a break on their premiums, but it will reduce the timeframe by which the Medicare trust fund will be depleted. Currently, the trust fund is expected to be depleted in 2019.

Kerry Weems, the acting administrator for the Centers for Medicare and Medicaid Services, said that rising demand for health care was the primary driver behind the premium increase. Other factors included higher payments to private insurers and setting aside more money for a reserve fund. "Even though this is the

lowest increase we've seen in six years, we continue to be very concerned about growing health care costs," Weems said.

## **Special Teams Fight Diabetic Amputations**

*Associated Press – 10.1.07*

WASHINGTON -- A stubbed toe can lead to having your foot amputated? It can if you're a longtime diabetic. And it can happen fast.

"Tuesday in the office, they're fine. Friday, they're in the emergency room with gangrene in a toe," says Dr. Peter Sheehan, diabetes chief at New York's Cabrini Medical Center.

It's a little-known statistic: Foot problems — wounds that won't heal, infections, warping bones — are the most common reason diabetics are hospitalized.

And many of the 80,000-plus amputations of toes, feet and lower legs that Americans diabetics undergo each year are preventable, say specialists who brought more than 900 health providers to a meeting last week to figure out how to do just that.

**One recommendation: For hospitals to create diabetes limb-salvage teams. It sounds simple. But it involves pairing specialists who seldom work side-by-side — like podiatrists and vascular surgeons — to shave weeks off the time it can take to get proper care for a festering foot.**

"It gets them everything they need right away, without months of waiting (between doctor appointments) while the wound is going downhill," says Dr. John Steinberg, a podiatrist with Georgetown University Hospital's limb-salvage team.

Some 21 million Americans have diabetes, meaning their bodies cannot properly regulate blood sugar, or glucose. Over years, high glucose levels seriously damage blood vessels and nerves, eventually leading to kidney failure, heart disease and other complications.

Among them is a vicious trio: Foot ulcers that strike about 600,000 diabetics annually; loss of sensation in the feet called neuropathy that makes sufferers slow to notice they have a wound; and poor blood flow in the lower legs that makes the ulcers slow to heal.

Amputation may end the grueling cycle of unhealing wounds and infection on one limb. But those patients still face grim odds. About half will develop ulcers and infections in the remaining foot, and undergo more amputations. And within five years, more than 40 percent are dead.

Infection is the chief reason for amputating. But there are no firm guidelines on when a limb is beyond salvaging — and a 2001 study of Medicare-covered diabetics found large differences in amputation rates in different parts of the country.

**Until recently, most research into diabetic wounds has focused on methods to clean them out and spur new skin growth.**

**The newer message: Check blood pressure in a diabetic's ankle before rushing to foot surgery. One in three diabetics over age 50 has a condition called peripheral arterial disease or PAD, where leg arteries become too clogged to get enough blood to the feet.**

That's one reason that last week's meeting urged a team approach to saving diabetics' limbs: Whatever foot surgeons apply to heal a nasty ulcer won't work unless a vascular surgeon has first cleared clogged leg arteries.

## The Big Cost of Little Drugs

*Wall Street Journal Health Blog – 10.1.07 (Posted by Jacob Goldstein)*

The [Orphan Drug Act](#) has helped bring drugs to patients afflicted with diseases that affect fewer than 200,000 people in this country. And while the number of drugs treating those diseases has grown to more than 300, the price of progress is often stunningly high.

Sometimes the price is so high that it threatens patients' access to the medicines that are supposed to help them. One example is Acthar, a version of a hormone known as [ACTH](#). The drug has long been approved for use in patients with multiple sclerosis. A company called [Questcor](#) bought the rights in 2001 and is now trying to win approval to use it for a pediatric condition called infantile spasms.

The price recently jumped to \$23,000 a vial from \$1,600, USA Today [reports](#). Under the new pricing, a round of treatment costs about \$100,000. Some pediatricians are worried that the huge price hike means some kids go untreated. "I don't think there's any question that some kids won't get appropriate care," Steve Roach, chief of child neurology at Ohio State University in Columbus, told the paper.

A Questcor company vice president told the paper, "We tried to make it a sustainable product at a lower price, and it didn't work." Sales of the drug were about \$6.9 million last year, according to data from Wolters Kluwer Health.

For years now, researchers have been predicting a coming era of personalized medicine, with drugs targeted to match your condition and genetic profile. Of course, personalized drugs will by their nature also have a small market. Given the high price of many orphan drugs, it might make sense to start thinking about what the era of personalized medicine will cost.