



WVAHC Reform News

West Virginians for Affordable Health Care

Volume 1

JULY 2006

Issue 2

WVAHC to Seek Comprehensive Health Care Reform

The staff and Board of WVAHC have been diligently working on a comprehensive health care reform package. Before we release it to the public, we wanted to get your - members of WVAHC - input into our ideas.

Our proposal would be a shared responsibility between businesses, individuals, state and federal government. The basic tenets build on the reforms recently adopted by Massachusetts and Vermont. Below is an outline of our current thinking, but this is definitely a work in progress.

Health Coverage for All West Virginians:

- Expand Medicaid coverage to adults who earn less than 100% of the Federal Poverty Level (FPL) with low or no premiums or co-payments.
- Allow certain individuals and businesses to purchase Medicaid paying 100% of the actual cost (about \$2,000 a year).
- Employers with more than 10 employees must provide

basic health care coverage to their employees or pay into the Health Care Trust Fund (see below).

- Individuals who earn above 100% of the FPL and do not have coverage through their employer or other means must purchase a basic health insurance policy or pay a surcharge on their personal income taxes into the Health Care Trust Fund. Premiums would be subsidized on a sliding scale for individuals who earn between 100% and 300% of FPL (\$9,800 to \$29,400 a year for a single person).

The Health Care Trust Fund--Would Pay for the Medicaid Expansion and Subsidized Health Plan and Would be Funded by:

- Increased taxes on tobacco, soda and alcohol products.
- Payments from businesses and individuals who do not purchase basic health care policies.

(Continued on page 3)

WVAHC's First Annual Convention

WVAHC will hold our first annual convention October 14, 2006 from 11 am to 2 pm at the Charleston office of the West Virginia Education Association (WVEA) (directions are below). During the annual convention, WVAHC members will elect officers and Board members for 2007, adopt the organization's operating budget, and consider the tenants of our health care reform package.

Any member who is interested in serving on the Board next year should contact Jim Binder (jbinder2@verizon.net) the current Board President.

All WVAHC members have full voting rights during the WVAHC annual convention. If members have items that

they would like to have considered during the meeting, please contact either Jim Binder or Perry Bryant (perrybryant@charter.net), WVAHC's Executive Director.

Directions to the Charleston WVEA office:

From I-64 take the Greenbrier Street Exit (the state capitol exit). Turn down the hill towards the capitol. Go straight through the light on Washington Street, and take the second right onto Quarrier Street. Go straight through the stop sign on Elizabeth. The WVEA office is on the right half way down the long block of Quarrier Street. The address is 1558 Quarrier Street.

Policies of State Agencies Questioned

The policies adopted recently by several state agencies raises concern about how effective these policies will be. A few examples:

- The Governor has requested the Children's Health Insurance Program (CHIP) Board not to expand eligibility for children in families with incomes between 200 and 300% of the federal poverty level (FLP) until Congress reauthorizes CHIP next year and the state will know what our future appropriations will be. The expansion of CHIP was the most important policy adopted by the Legislature during the last session, and WVAHC supports implementation by the CHIP Board.

To their credit, the CHIP Board put off taking action on Governor Manchin's request and is requesting a legal opinion on whether they can legally delay the expansion for a year or more. House Speaker Bob Kiss was quoted in the *Charleston Gazette* as stating that the CHIP Board had a legal responsibility to implement the expansion.

Uninsured children in families with incomes of between 200 and 300% of the federal poverty level (annual incomes of between \$40,000 and \$60,000 for a family of 4), will be eligible for the CHIP expansion. These families will be required to pay premiums and there will be co-payments when their children receive medical services. Even if Congress would freeze CHIP appropriations at current levels, the CHIP Board has the ability to increase premiums and copays for these families, or they could reduce eligibility back to 200% of the FLP. WVAHC position is that as painful as these decisions would be, it is better to have children covered by health insurance if only for a short time than not to have insurance at all.

With the CHIP expansion, almost all West Virginia children would have access to affordable, quality health insurance coverage. That is a remarkable achievement, and we should pursue this effort as quickly as possible.

- The Pharmaceutical Cost Management Council (PCMC)

adopted a weak reporting requirement for drug manufacturing companies. Drug manufacturers would only have to report gifts, grants or payments to physicians when they exceed \$10,000 annually. The drug manufacturer does not identify which physicians receive more than \$10,000 a year. Consumers will be left to wonder whether their physician's decision to prescribe a particular brand name drug is motivated by what is best for their treatment or the physician's "education" by the drug manufacturer.

As Dr. Dan Foster recently wrote in the *Charleston Gazette*, "All too often, physicians...are overwhelmed by the information deluge they receive from those who have a financial stake in what they order." A Kaiser Family Foundation report (www.kff.org) quantified the amount of money drug manufacturers spend on "advertising" to physicians. Last year drug manufacturers spent \$7.2 billion influencing the decisions of physicians, more than double the amount spent in 1996. Drug manufacturers spend these sums because they are effective. Between 1990 and 2004, total national spending on prescription drugs increased from \$40 billion to \$188 billion, a 368% increase in 14 years.

The Attorney General's office has issued an opinion that the Council has far greater authority to obtain information from the drug industry than the Council has used so far. The Council was provided one of the best laws in the country - cutting edge authority. Their performance to date has been disappointing. WVAHC will continue to encourage the Council to act in the best interest of West Virginians. After all, we pay the highest percentage of our income to buying drugs of any state in the country.

- Medicaid: There are two poor policy decisions being made regarding West Virginia's Medicaid program. First, is the Medicaid Plan Amendment. As approved by the federal government, the Medicaid Plan Amendment would allow the Department of Health and Human Resources (DHHR) to deny smoking cessation, dietary education, diabetes education and other services to Medicaid insured who failed to keep doctor appointments, misuse emergency rooms or engaged in other inappropriate medical behavior. WVAHC knows of no other insurance program that would deny smoking cessation and other preventive services to patients that act inappropriately. Other problems with the proposed Medicaid changes include the advisability of denying services to children and the ethics of asking doctors to report to a state agency on patient behavior.

West Virginians for Affordable Health Care

Perry Bryant, Executive Director

1544 Lee Street • Charleston, West Virginia 25311

perrybryant@charter.net

www.wvahc.org

Office: 304-344-1673

(next page)

Policies of State Agencies Questioned *(Continued)*

The best that can be said about the Medicaid Plan Amendment is that DHHR is reviewing the program, will likely delay implementation until November or December, and the final provisions may not look anything like the program that was approved by the feds. Stay tuned.

DHHR is also revising the Aged and Disabled waiver. This program pays for home services that allow senior citizens and people with disabilities to stay in their homes instead of being placed into a nursing home. This program is both a cost savings for the state and more humane for the person. DHHR has revised the eligibility criteria, and as many as 1,000 West Virginians may be removed from the program.

What happens to these people is unclear. They may be forced to move in with relatives or forced into nursing homes.

An example of the change in criteria is that previously someone who was incontinent some of the time would be considered for help. Now a person has to be incontinent all of the time in order to qualify under this criteria.

Thankfully, Mountain State Justice, a nonprofit legal advocacy group, has sued DHHR to block the program. As with the State Plan Amendment, WVAHC will certainly keep you informed as this process continues.

WVAHC to Seek Comprehensive Health Care Reform

(Continued from Page 1)

Other Funding:

- Federal Medicaid money. The federal government contributes almost 75 cents for every 25 cents that state government contributes to Medicaid.

Governance:

- Establish the Governor's Office of Health Care. The governing Board of the Office would include the Governor, state officials, medical providers, insurance representatives and consumers. The Office would have the following duties:
- Certify the availability of quality, affordable health care coverage in the private market or provide for a government program if coverage is not available.
- Administer the subsidy to individuals between 100 and 300% of FPL.
- Coordinate the cost containment strategies.
- Require state payors (PEIA and Medicaid) to pay reasonable cost for medical services.

Insurance Reform:

- Prohibit medical underwriting. This is a practice by insurance companies of denying coverage or greatly increasing the cost of insurance to individuals who have medical conditions. Insurance companies could only consider a person's age and gender, not their medical status, when issuing or renewing a policy.
- Provide special programs for young adults to encourage them to have health insurance.

Cost Containment:

- West Virginia should join with Oregon and other states to conduct independent reviews of new procedures and technology to determine whether they are effective and cost-effective. Some experts believe that unless we deal with the difficult issue of controlling technology, that we will be unable to control health care costs.
- Support the establishment of self management programs that assist patients with chronic diseases to control or even reverse their illness.
- Support both electronic prescribing (essential where a physician emails a prescription to a pharmacist) and electronic medical records (EMR). Both e-prescribing and EMR increase patient safety and may lower cost.
- Promote the use of living wills and medical power of attorney to address the issue of end of life care.

Obviously, WVAHC's Blueprint for Reform is not only comprehensive, but aggressive. However, the alternatives of incremental change or no reform are unacceptable.

We would welcome your comments and suggestions. While the staff and Board have been working on this proposal for months, we do not have all the answers. This is a starting point for discussion. If you would like a copy of the full report, contact Perry Bryant at perrybryant@charter.net, and we will email you the current draft of our reform package.

Recent Health Care Reports

- Partnership for Prevention has ranked 25 preventative services and childhood immunizations both for cost-effectiveness and effectiveness for extending a patient's life. Three preventive services tied for being most important: a) aspirin usage by men age 40+ and women age 50+; b) childhood immunization; and c) smoking cessation. The next highly rated preventive services include two adult vaccines (influenza and pneumococcal), two cancer screenings (cervical and colorectal), and four additional screenings (vision screens among adults 65+ years, hypertension screenings, cholesterol screenings and problem drinking screenings.)

The web site for the Partnership for Preventions report is: <http://www.prevent.org/content/view/46/96/> Their report has links to data supporting their findings and is a wealth of other information.

- The Surgeon General has issued another report on secondhand smoke. The findings are that there is no risk-free level of exposure to secondhand smoke. Surgeon General Carmona stated, "The scientific evidence is now indisputable: secondhand smoke is not a mere annoyance. It is a serious health hazard." Nonsmokers exposed to secondhand smoke at home or work increase their risk of developing heart disease by 25 to 30 percent and lung cancer by 20 to 30 percent. The finding is of major public health concern since nearly half of all nonsmoking Americans are still regularly exposed to secondhand smoke.

The web site for this report is: <http://www.surgeongeneral.gov/library/secondhandsmoke/>

- The American Heart Association and the Clinton Foundation have entered into an agreement with the beverage industry to limit the types of sodas sold in schools in future years. 75% of schools by school year 2008-09 and 100% of schools the following year will limit the types of beverages listed below.

In elementary schools beverages will be limited to bottled water and 8 ounces of milk and juice. In middle schools the same limitations apply except that the containers can be increased to 10 ounces. In high schools beverages will be limited to bottled water, low calorie beverages, and 12 ounce of milk, 100% juice and sport drinks. At least 50% of all beverages sold in high schools must be water or a low calorie option.

This is a overview of the beverage restrictions. Details can be viewed at: www.healthiergeneration.org

West Virginians for
Affordable Health Care
1544 Lee Street
Charleston, WV 25311

