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“Medicare and the Road to National Health Care Reform”

A conversation with:

Maggie Mahar (Century Foundation; author of *Money-Driven Medicine: The Real Reason Health Care Costs So Much*)

Ted Marmor (Yale University; author of *The Politics of Medicare*)

Mon. Nov. 24 at 5:30 p.m.

Location: Hunter College School of Social Work, 79th & Lex.

RR Catalyzes New National Medicare Campaign

Much election season campaign rhetoric has rightly focused on the need for broad health care reform, the future of Medicare is a matter left largely unaddressed by the presidential candidates. In the eyes of many health care reform advocates, Medicare will provide a key component of the foundation for broad reform, so to talk about the latter without mentioning the former is a flawed approach.

As an effort to engage presidential and congressional candidates on this issue, Rekindling Reform has reached out to several key national Medicare and health reform advocacy groups to launch the “Alliance to Restore Medicare” (ARM), including the American Medical Women’s Association, the American Public Health Association, the Campaign for America’s Future, the Center for Medicare Advocacy, the Islamic Society of North America, the Medicare Rights Center, the National Committee to Preserve Social Security and Medicare, the National Senior Citizens Law Center, Physicians for a National Health Program, and the Universal Health Care Action Network.

Specifically, ARM is not oriented solely to engaging candidates on the Medicare reform issue, but also to call attention to the insidious, already-well-underway privatization of Medicare. This process was stimulated by the Medicare Modernization Act of 2003 (MMA), a law most well-known for creating the problem-plagued new “Part D” private prescription drug program. In addition to restoring Medicare to its social insurance fundamentals, ARM also seeks to lay out an agenda to shore up Medicare’s long-term finances.

While still a work-in-progress, ARM has identified two goals for its initial work: to engage health care reform advocates on the strategic importance of the Medicare reform issue, and calling on candidates for President and Congress to address Medicare reform in their campaign speeches and policy proposals.

RR Submits Testimony to Senate Finance Committee

While everyone awaits the outcome of the Presidential election to understand the prospects for health care reform in Congress next year, key Senate leaders are not letting any grass grow under their feet. Very much in the lead has been the Senate Finance Committee, which over the summer convened a “summit” and held some hearings on the matter, with an eye toward getting a start on things so they can begin next year with key groundwork laid.

The Committee’s proceedings featured many of the usual policy experts presenting their recommendations and points of view by invitation. In the eyes of some advocates, while their perspectives were and are always valuable, sometimes they can be limited or promote incorrect policy. And so members of RR’s National Programs Committee reached out to colleagues in California to craft comments expanding the scope of issues under consideration, calling attention to some left under-addressed, or taking issue with others. Working with the San Francisco-based Center on Policy Analysis, a formal response was written and submitted, and accepted by the Committee as part of its record.

In their response, RR and CPA challenged the assertion that many Americans are over-insured, argued that the individual market cannot provide an adequate substitute for the more comprehensive care available through employment-based coverage, asserted that greater cost-sharing will lead people to receive less care without actually having a significant impact on the cost of care, and argued that employers who drop coverage because of changes in the tax treatment of insurance coverage will likely not convert their savings into higher wages for employees.

RR and CPA’s full response can be found on RR’s website at www.rekindlingreform.org.

RR Analyzes Presidential Candidates’ Proposals

As the primary season drew to a close late last spring, RR published a policy brief reviewing the major US presidential contenders’ positions on health care reform, testing them against a set of six benchmarks for accessible, affordable health care for all. The review found that none of the proposals fully addressed the basic obstacles to attaining affordable health care for all. Yet, it points out that, while Senator Obama supports the idea that all citizens are entitled to affordable health care, Senator McCain rejects it by proposing actions that would discourage employer-sponsored health coverage. Noting that only the views the Democrats voice are consistent with the six benchmarks, the brief suggests that they can do better than the actual proposals they have made, and it urges them to do so.

The brief also anticipates that opponents of health system reform will argue, without merit, that the current economic crisis precludes reform. Citing the radical (and destructive) changes to Medicare initiated by the Medicare Modernization Act of 2003, the brief also voices particular disappointment with the candidates for their inadequate attention to those changes and inadequate efforts to undo them.

Finally, the brief urges ongoing involvement in the election campaigns not only to promote better understanding of health reform issues but also to increase the likelihood that the winner will be responsive. It concludes with Rekindling Reform's promise to help, after the election, in organizing pressure for presidential leadership in the effort to win quality affordable health care for all.

The full brief is posted on RR's website at www.rekindlingreform.org.

RR Convenes Forum on the Future of Universal Health Care Reform in New York

On a sunny spring afternoon in April, health care activists from across the NYC region gathered for a forum at CUNY's Murphy Center exploring prospects for universal health care reform in New York. Featured as keynote speaker was Assembly Health Committee Chair Richard Gottfried, who spoke about the Governor's Partnership for Coverage process, and his new "New York Health Plus" proposal to provide publicly-sponsored health coverage to all New Yorkers. His concept is to build on his previous "New York Health" single-payer proposal of many years standing by folding in the state's existing and successful public insurance programs of the last decade (Child Health Plus, Family Health Plus.) A copy of his intriguing proposal can be found at www.assembly.state.ny.us, both a 3-page summary, and a detailed full-length version. Chairman Gottfried says he expects to propose bill language embodying his proposal during the 2009 legislative session.

Following Chairman Gottfried's presentation, a panel of discussants representing diverse advocacy constituencies offered, from their particular perspectives, some key issues that need to be addressed in a state-based universal health care program. Participants included Moira Dolan of District Council 37 AFSCME, Susan Dooha of the Center for Independence of the Disabled, Regina Neal of the Primary Care Development Corporation, and Denise Soffel of the Center for Law and Economic Justice.

Following RR's forum, colleagues from "Health Care for All New York" (HCFANY), a new statewide advocacy campaign, held their first regional meeting for the NYC area, making it a double-header afternoon for health care advocates. More information on HCFANY can be found at www.hcfany.org. RR participates on HCFANY's Policy Committee.

New York's "Partnership for Coverage" Process Moves Forward

New York's (relatively) new Governor, David Paterson, is continuing the state's "Partnership for Coverage" (P4C) initiative initiated by former Gov. Elliot Spitzer. After a series of public hearings held in late 2007, the state's P4C Task Force, comprised of key staff from the Departments of Health, Insurance, and the Governor's Office, released a summary of them in late May at a "People's Public Hearing" sponsored by Health Care for All New York.

It has since contracted with the Urban Institute to conduct independent modeling studies of various approaches to universal health care in New York, following an approach

initially put forth by RR beginning back in 2005. UI will utilize its "Health Insurance Policy Simulation Model" to analyze various proposals. Among the models UI will be studying will be a pure single-payer approach, Assemblymember Gottfried's "NY Health Plus" proposal (see above), a combined public-private approach, and a "Freedom Plan" combining various elements of proposals from the private insurance industry. Among the variables to be studied are: target population(s), public programs, benefit packages, program costs, financing, and cost control.

Full information about P4C can be found online at www.partnership4coverage.ny.gov

RR Takes Up Private Health Insurance Regulation

Working with colleagues from the Center for Independence of the Disabled., Citizen Action of New York, the Community Service Society, Consumers' Union, the Hunger Action Network, the Metro New York Health Care for All Campaign, and New Yorkers' for Accessible Health Coverage, RR helped to craft a broad "Health Insurance Consumer Protection Agenda". The agenda would help re-establish strong health insurance regulation in New York, following the loosening of standards under the industry-friendly Pataki administration. For many advocates, such an agenda could not come too soon.

At the heart of the agenda is a two-fold proposal for the state to re-assert its control over the private health insurance market, particularly for individuals and small groups. First, to require state approval of all premium rate increases before they go into affect (known as "prior approval"), and secondly, to permit the state to hold public hearings on rate increase proposals when they exceed certain minimum standards. Currently, New York law allows insurers to raise rates as much as they like whenever they like, provided they notify the state (known as "file-and-use"), with no option of a public hearing. Rates can only be rolled-back if and when they are deemed unwarranted after the fact, something that rarely if ever happens. Since the Pataki administration's deregulation, average annual rate rises increased from an average of 10% per year, to double or triple that amount.

Another key issue concerns the amount of premium income insurers are required to use to pay claims (as opposed to overhead and profits.) In industry jargon, this index is (bizarrely) known as the "medical-loss ratio." (Many advocates prefer the term "care share.") Currently, New York law requires a ratio (or "share") of 75% in the small group market, and 80% in the individual market. Many advocates are now proposing that it be raised to at least 85% (if not 90%) for both markets.

Bills embodying these and other pro-consumer proposals have been introduced in the State Legislature in recent years. Several of them have often passed the Assembly but have not moved forward in the Senate. Working with the above mentioned groups and other advocates, RR plans to mount an aggressive effort to educate policymakers and the public about the importance of health insurance regulation in moving a broader health care reform agenda.

RR can be reached by its website: www.rekindlingreform.org