

Push for Government Mandated/Standardized Doctor Contracts Unnecessary and Costly

A move to require government mandated physician contracts will almost certainly increase health care costs while providing no apparent medical advantages to the delivery of care. Such contracts would remove the role of conventional market forces in determining the content of contracts while undermining the implementation of innovative practices such as pay-for-performance initiatives health plans use to reward physicians for positive outcomes. Many key provisions of the proposed contracts are already required through current laws and regulatory requirements. Additionally, even a mandated contract would still require some customization to address physician practice requirements and individual health plan processes. Experts have also predicted that crafting a contract that anticipates and covers the infinite number of relevant issues would be practically impossible. The administrative costs of addressing future modifications would be prohibitive.

Unlike real estate transactions involving consumers and financial experts, contracts between physicians and health plans represent a business-to-business transaction with no discernable imbalance of knowledge. With no justifiable benefit for the increased costs, many consider the adoption of government mandated physician contracts an intrusive and unfunded intervention by government into private contractual arrangements. This may explain why no other state has adopted a government mandated doctor contract.

Texas Medicaid Reform Could Produce Significant Savings for Program

In 2005, the Legislative Budget Board identified over \$100 million in savings to the state's Medicaid program that were available through the expansion of managed care to certain eligible populations. Complications with federal funding for safety-net providers prevented the state from realizing the total savings but interest in addressing the program's rising costs have state leaders considering broader Medicaid reforms and the pursuit of a federal waiver that could address the problems encountered in 2005.

Texas is not alone among states seeking ways to contain unsustainable funding trends for their Medicaid programs. New options being considered by some states include creation of low income pools to pay for uncompensated care, increasing the use of managed care to contain costs, greater emphasis on personal responsibility and preventive care, rewarding individuals who pursue healthy lifestyles, cost sharing by enrollees, increasing tax incentives for businesses offering health benefits, variable and targeted eligibility processes to streamline and stabilize enrollment, and three-share programs to split the cost of health coverage. Total savings to the state from Medicaid reform is unknown but most agree the reforms would not only increase the efficiency of the program but could also contribute to lower health care costs for businesses and individuals who pay for coverage.

Texas Trivia

1. For eleven days in 1836 the Texas Capitol was located on a:
 - (a) reservation
 - (b) steamboat
 - (c) mountain
 - (d) train
2. When Austin was settled as the Capitol in January of 1839 what was its name?
 - (a) Lakeway
 - (b) Bonnell
 - (c) Waterloo
 - (d) Barton
3. How did Stephen F. Austin die?
 - (a) shot at Alamo
 - (b) poisoned
 - (c) typhoid
 - (d) pneumonia
4. 85 percent of public libraries in Texas were started by?
 - (a) state universities
 - (b) oil industrialists
 - (c) women's clubs
 - (d) municipal governments
5. Bonnie and Clyde were killed in which state?
 - (a) New Mexico
 - (b) Oklahoma
 - (c) Texas
 - (d) Louisiana

Efforts to Eliminate Balance Billing in Texas Gaining Momentum

Legislative support for efforts that protect unknowing patients from the practice of balance billing are gaining momentum. Balance billing occurs when patients are billed for fees that exceed the amount covered by their insurance. It usually occurs when a procedure is administered in a hospital that is in the patient's network but from providers who are not in the network. Believing they have followed the in-network policies of their coverage, individuals are usually unaware they will be balance billed until well after treatment is received and a bill for the balance arrives. One measure (HB-139) by Jackson has already been filed for consideration when the Legislature convenes in January. The proposal would require patients be provided notice that a provider is out-of-network and that they may be balance billed. TAHP has received numerous legislative inquiries regarding actions that may be taken to protect individuals from balance billing ranging from disclosure provided by HB-139 to an outright ban on the practice.

Wall Street Journal Poll Finds Reducing Uninsured Top Priority of Americans

An October poll conducted by the *Wall Street Journal* found that 42 percent of those surveyed feel "reducing the percentage of Americans without health insurance," is one of the top two health care issues facing the country. According to the latest government figures some 46.6 million Americans were without health insurance in 2005, an increase of 17 percent since 2000. The impact of an increasing uninsured population is felt beyond those lacking insurance. High health care expenses that result when those lacking coverage delay or completely ignore the need to seek treatment contribute to increases in health care costs absorbed by local governments, businesses, and individuals. The failure to seek timely care often results in more costly treatment than would have been received at the onset of an illness. This treatment is frequently sought at the emergency rooms of safety-net providers where costs are much higher.

Health Plans Propose to Provide Health Coverage to Every American

More than 40 million uninsured Americans could have access to affordable health insurance coverage under a comprehensive new set of targeted policy proposals released by America's Health Insurance Plans (AHIP). The plan would expand eligibility for public programs, enable all consumers to purchase health insurance with pre-tax dollars, provide financial assistance to help working families afford coverage, and encourage states to develop and implement access proposals. The plan is designed to expand access to health coverage to all children within three years and 95 percent of all adults within 10 years. AHIP estimates that full implementation of the proposal would cost the federal government approximately \$300 billion over the ten year period. Ronald Pollack, the executive director of Families USA, a consumer group, welcomed the proposal. Grace-Marie Turner, president of the Galen Institute, a research center that advocates for free-market health policies told the *New York Times*: "Conservatives will be able to support this. It has something for everyone." The plan is expected to serve as a benchmark for the health coverage debate through the 2008 elections.

Birthdays

January

- 1 - Rep. Jim Pitts
- 3 - Rep. Marc Veasey
- 4 - Rep. Anna Mowery
- 6 - Rep. Joe Heflin
- 8 - Rep. Kevin Bailey
- 8 - Rep. Joe Crabb
- 8 - Rep. Rick Noriega
- 10 - Sen. Kyle Janek
- 19 - Rep. Diane Patrick
- 20 - Rep. Jim Keffer
- 20 - Sen. Eddie Lucio
- 22 - Rep. Nathan Macias

February

- 4 - Rep. Yvonne Davis
- 5 - Rep. David Farabee
- 9 - Rep. Harvey Hilderbran
- 13 - Sen. Judith Zaffirini
- 15 - Rep. Elliott Naishtat
- 17 - Rep. Harold Dutton, Jr.
- 18 - Rep. Vicki Truitt
- 20 - Rep. Jerry Madden
- 21 - Rep. Robby Cook
- 21 - Rep. Dan Flynn
- 22 - Rep. Drew Darby
- 22 - Sen. Chris Harriss
- 26 - Rep. Fred Brown
- 26 - Rep. Mike Krusee
- 27 - Rep. Tommy Merritt
- 29 - Rep. Phil King

Trivia Answers:

1.b (steamboat Cayuga) 2.c (Waterloo) 3.d (pneumonia) 4.c (women's clubs) 5.d (Louisiana)