

America's Top CEOs Unveil Principles for Health Care Reform

Business Roundtable, an association of chief executive officers of leading U.S. companies with \$4.5 trillion in annual revenues and 10 million employees, recently released its principles for health care reform. According to the organization, health care costs are the number one cost pressure facing American businesses today, inhibiting job creation and hurting America's ability to compete in global markets.

Its health care principles call for a combination of private market reforms and changes in government programs to ensure that all Americans have access to affordable, high quality care.

The principles for reform assert that the employer-based health care system is valuable and should be continued; all Americans must have access to affordable coverage; all Americans have a responsibility to obtain, at a minimum, catastrophic coverage; safety nets play an important role and low-income individuals may need subsidies; health care costs must be lowered for all health care consumers; and quality must be improved through information technology, transparency, greater emphasis on wellness and prevention, tax law fairness, and medical liability reform.

The Business Roundtable has joined with other organizations, including the AARP, to encourage the pursuit of broad-based, bipartisan solutions to health care issues.

Legislation Could Increase Cost of Health Insurance in Texas

Recently adopted insurance mandates are likely to add to the cost of health insurance in Texas. According to the Council for Affordable Insurance, Texas laws already contain 52 health insurance mandates—the third highest number in the country. With the cost of insurance as a key determinant of its purchase, the increase is likely to prevent at least some individuals and families from purchasing insurance and to lead many employers to reduce or drop the health benefits they offer their employees. According to the U.S. General Accountability Office, the number of small employers offering health benefits dropped from 68 percent in 2001 to 60 percent in 2006. In Texas, 45 percent of the adult workforce is employed by an employer with less than 25 employees.

Legislature Adopts Blueprint for Health Care Transparency

The Texas Legislature is hoping recently adopted Senate Bill 1731 will empower consumers and employers with additional information about the costs and quality of health care services. The legislation, authored by **Senator Robert Duncan** and **Representative Carl Isett**, directs the Department of State Health Services (DSHS) to post on its Web site a consumer guide to health care that will provide information on facility and physician pricing practices along with Internet links that will provide consumers information on quality of care data. The legislation requires facilities and physicians to develop, implement, and enforce written guidelines that address discounting of services, itemized statements, and procedures for handling complaints.

Additionally, providers will be required to develop guidelines for disclosing whether interest will be applied to any billed service not covered by a third party payer. Under the legislation, health plans will be required to report information on reimbursement rates and provide their annual financial statements, which will be posted on the DSHS Web site. The legislation also includes disclosure requirements for facilities, physicians, and health plans of estimated costs and payments related to services sought and notice of the possibility that consumers may be balance billed.

Health Quiz

- 1. According to the Employment Benefit Research Institute, 63.1% of workers were covered by an employer-based health plan in 2005.**
(a) True
(b) False
- 2. According to the National Business Group on Health (NBGH), roughly 7 in 10 workers consider their health plan to be excellent or very good.**
(a) True
(b) False
- 3. The NBGH reports that 83% of workers surveyed would rather see their salary or retirement benefits cut rather than their health plan.**
(a) True
(b) False
- 4. The NBGH survey indicates 15% of workers believe smokers should pay more for their health coverage.**
(a) True
(b) False
- 5. The Commonwealth Fund recently ranked the Texas health care system 49th.**
(a) True
(b) False

Birthdays

July

1 – Rep. Veronica Gonzalez
4 – Rep. Yvonne Gonzalez
7 – Rep. Tony Goolsby
11 – Rep. Ryan Guillen
21 – Rep. Pat Haggerty
21 – Rep. Mike Hamilton
22 – Rep. Kelly Hancock
25 – Rep. Rick Hardcastle

It's Official: Texas Takes Bold Step Forward With Medicaid Reform

Governor Rick Perry was recently joined by U. S. Department of Health and Human Services Secretary Michael Leavitt as he signed the state's historic Medicaid reform legislation into law. The measure, SB 10, was approved during the state legislative session, which adjourned last month. According to the governor, the reforms will help create a more accessible and cost effective health care system by "optimizing available funding for health services, expanding consumer choices, encouraging personal responsibility for Medicaid recipients, and providing new sources of financing for private insurance."

A key component of the legislation is the creation of a health opportunity pool that will fund a premium assistance program to help uninsured working Texans who are not eligible for Medicaid to buy private insurance. Additionally, the reforms will provide assistance for enrollment in private insurance and employer-sponsored plans, create tailored benefit packages for children with special needs, promote consumer choice through health savings accounts, reward healthy lifestyles, and set a cost-sharing base for non-emergency use of emergency rooms. The legislation also directed the state Health and Human Services Commission (HHSC) to develop a pilot project to provide incentives for physicians who utilize health information technology, including electronic medical records. The legislation, sponsored by **Senator Jane Nelson** and **Representative Diane Delisi**, is intended to make the state a more prudent purchaser of health care while providing relief to local governments for the uncompensated care costs they absorb. HHSC will begin immediately to prepare and submit by this fall a federal Medicaid waiver containing the reforms.

National Study Says Texas Health Care System Among Worst

A recent study released by the *Commonwealth Fund Commission on a High Performance Health System* placed the quality of the Texas health care system among the worst in the nation. The report evaluated states on 32 indicators grouped in categories that include access, quality, avoidable hospital use and costs, equity, and healthy lives. Based on the report's criteria, Texas ranked 49th in a study that included all 50 states and the District of Columbia. While no single state performed at the top across all categories, some states far surpassed others. States in the Northeast and Upper Midwest often ranked high in multiple areas. In contrast, states with the lowest rankings tend to be concentrated in the South.

Across the country, the scorecard found that states that do well on access to care—particularly health insurance—were also more likely to do better on quality of care. Researchers also found no systematic connection between high spending and high quality health care as some states achieve high quality at relatively low costs.

According to the study, on average the percent of adults under the age of 65 who were uninsured in 2004-2005 ranges from a low of 11 percent in Minnesota to a high of 30 percent in Texas. The percent of uninsured children varies from 5 percent in Vermont to 20 percent in Texas. Average death rates were 74.1 per 100,000 persons in the top five states compared with 141.7 per 100,000 persons in the bottom five states.

The report points to the need for action in four key areas: expanding health insurance to all; having better information to assess performance to guide and drive change; analyses to determine the key factors that contribute to state variations; and national leadership and collaboration across public and private sectors.

You may obtain more information on the Commonwealth Fund and view state-by-state analyses of the report at www.cmwf.org.

Trivia answers: 1. a (True) 2. a (True) 3. a (True) 4. b (false/65% believe smokers should pay more for their health care) 5. a (True)