

REFORM UPDATE

UNIVERSAL COVERAGE AND EMPLOYER CONTRIBUTIONS: KEYS TO REFORM

Universal coverage must be part of healthcare reform legislation. Without it, we cannot break the vicious circle in which the uninsured postpone care until problems are severe and they must obtain care in costly settings. The cost is then shifted to employers, who in turn find it increasingly unaffordable to insure their workers.

This is the message Catholic Health Association (CHA) members should stress in contacts with members of Congress, CHA's Washington staff advised advocacy coordinators from Catholic healthcare systems at a March meeting. Congress is still searching for consensus on reform issues, including universal coverage, which is included in the Clinton plan, CHA lobbyist Jack Bresch told meeting participants. He noted that financing questions are the sticking point, not only for legislators but for the public as well.



Bresch

Employer Financing

An employer mandate, through which most employers would provide health insurance for their employees, is the most practical way to finance universal coverage, explained CHA's Tim Eckels. Unlike other possible financing mechanisms (general taxation as in Canada's single-payer system or an individual mandate that requires citizens to pur-



Eckels

chase their own insurance), an employer mandate such as that in the Clinton plan captures the current billions of dollars employers now contribute to cover their employees. (Ninety percent of people with private insurance get it through their employer.) The employer mandate also levels the competitive "playing field" by requiring all employers to share in the cost of insuring workers' family members and other uninsured people.

Despite small business owners' fears of the cost, no credible study has predicted substantial loss of jobs from a Clinton-type approach, Eckels said. Many business owners are unaware of the subsidies they could obtain under the Clinton plan or the provision that limits employer contributions to 7.9 percent of payroll, he added.

CHA Vice President Bill Cox said an incremental approach that would gradually phase in universal coverage or provide it only after costs are under control is unjust. The approach discriminates against the poor; the working poor whose employers do not offer insurance; and the middle class, who lose coverage when they lose their job, he said.

Cox also pointed out that providers will continue to lose out as Congress cuts Medicare payments to healthcare facilities (as it has every year since 1983) if it does not pass universal coverage.

Influencing Legislators

Members of Congress are trying to understand healthcare reform issues through hearings and informal debate,

Bresch said. "Now Congress is listening, and it's incumbent on supporters of healthcare reform to get the message to Congress. We believe reform will be voted on this year, and we have an opportunity to influence that vote," he said.

The American public supports healthcare reform but understands it poorly, according to a recent study Bresch cited,

No credible study has predicted substantial loss of jobs from a Clinton-type approach, said Tim Eckels.

which was conducted for the Health Care Reform Project by California-based Fairbank, Maslin, Maullin & Associates. A view of universal coverage as a hand-out to welfare populations emerged in the study's focus groups, which were made up of a cross-section of Americans. But the groups strongly supported coverage for hard-working, uninsured Americans and their families. This finding suggests the importance of linking healthcare reform to support for welfare reform that requires the able-bodied to work in order to receive benefits.

While participants opposed employer mandates because they feared negative impacts on small business, they favored reform that included coverage for prescription drugs and long-term care. The focus groups also were willing to grant government a role because they see it as the only mechanism to control costs.

The participants



Chlopak

CHA MEMBERS VISIT WHITE HOUSE IN SUPPORT OF UNIVERSAL COVERAGE

"Anything less than universal coverage is ethically unacceptable," Sr. Bernice Coreil, DC, told President Bill and Hillary Rodham Clinton at a March gathering of health-care professionals on the White House lawn. Sr. Coreil, one of three providers chosen to address the group, introduced the president with praise for his plan, which "in the American tradition, would ensure that all of us are able to go to the care givers of our choice."

Sr. Coreil, who is senior vice president of system integration, Daughters of Charity National Health System, St. Louis, led a delegation of nine Catholic Health Association members. They joined the 200 others in the audience who support reform that achieves universal coverage and who are represented by members of key congressional committees responsible for advancing reform legislation.

Sr. Coreil applauded the administration's Health Security Act for recognizing that universal coverage is the "linchpin" of real healthcare reform. "The challenge facing supporters of real healthcare reform is to deliver to our congressional representatives the message that the debate is about how—not whether—to achieve universal coverage," she said.

In introducing Sr. Coreil, Mrs. Clinton noted that she has been a "leader in making



Sr. Bernice Coreil addressed the Clintons and 200 others who support universal coverage.

sure everyone knows that reform is not just an issue of politics—it is an issue of conscience." Sr. Coreil is chair of CHA's Leadership Task Force on National Health Policy Reform, which drafted CHA's healthcare reform proposal, *Setting Relationships Right*—cited by Mrs. Clinton as "a model for the administration's own reform proposal."

During his speech, the president said that the problems with the current system will "only get worse if the people who tell us that we can't do anything prevail because they see problems with anything we want to do."

Sr. Coreil noted "there is

no excuse, moral or otherwise, for making millions of working families wait for coverage while attempts are made to lower costs for those who are lucky enough to have coverage now. You know this, Mr. President, and the American people know it. But some of the critics of your reform proposal do not know it."

In addition to Sr. Coreil, CHA members attending the White House gathering were Gregory A. Banaszynski, president, St. Francis Hospital, Milwaukee; Stephen M. Blaes, president and chief executive officer (CEO), CSJ Health System of Wichita

[KS], Inc.; Sr. Caritas Geary, SP, Sisters of Providence Motherhouse, Holyoke, MA; Sr. Doris Gottemoeller, RSM, president, Institute of the Sisters of Mercy of the Americas, Silver Spring, MD; Plato A. Marinakos, president/CEO, Mercy Health Corporation of Southeastern Pennsylvania, Bala Cynwyd, PA; Sr. Ruth Marie Nickerson, CSC, president, Saint Agnes Medical Center, Fresno, CA; Sr. Rosemary Sabino, RSM, president/CEO, Catholic Health Association of Wisconsin, Madison; and Mary Yarbrough, president and CEO, Mercy Hospital and Medical Center, San Diego, CA.

believe healthcare is in crisis and expect reform legislation to pass.

The Health Care Reform Project—a coalition of more than 30 business, senior citizen, consumer, labor, and healthcare provider organizations—has produced television advertisements to inform the public about the principles of reform and the Clinton plan's approach. The ads demonstrate that there are providers who do not favor the incre-

mental approach to universal coverage, said Bob Chlopak of the Washington public relations firm Chlopak, Chlopak, Leonard, Shechter & Associates.

Answering Tough Questions

Eckels advised the system advocacy coordinators on how to answer the following common questions about Clinton-type reform:

- *How can we afford it?* Americans are already paying to insure the uninsured, but in a way that encourages costly inefficiencies. Americans are paying through government programs, the cost shift to businesses, and out-of-pocket payments.

Postponing universal coverage would mean that providers would be squeezed out of business by reduced government subsidies and the inability to shift costs,

exacerbating the lack of access for the uninsured and more care in costly settings.

• *Why cover everybody if the uninsured can get care when they really need it?* Again, without universal coverage, health-care costs cannot be controlled. The uninsured will put off needed care until

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their conditions require extensive treatment, and they will get care in emergency rooms or other expensive settings.

CHA's Advocacy Strategy

Regardless of what reform legislation passes this year, CHA will continue to encourage its members to advocate for:

- Universal coverage achieved quickly through the employer mandate
- Uniform, comprehensive benefit package
- Delivery reform through integrated networks
- Reliable and fair expenditure control

CHA members must influence how integrated delivery networks are certified at state and federal levels, Eckels urged. Incentives for community-based networks and criteria for certification for competing health plans will need to be worked out, he said.

CHA is particularly concerned about capitated plans becoming commercialized. Public perception is growing that there is no distinction between for-profit and not-for-profit organizations' care, Eckels warned. But he insisted that “the

nation's not-for-profit foundation is critical.” With the wrong incentives, integrated networks could eliminate services, avoid high-cost populations, undertreat, and use formula-driven utilization controls.

The solution, Eckels said, is certification requirements that hold plans accountable for patient care and community service. He said CHA will continue to focus on the service orientation of the not-for-profit sector and its long-term commitment to the community. “We need to make the case of why we're different and also strengthen the criteria for receiving tax exemption,” he said.

For example, an integrated network might be required to have a local advisory board that determines community needs, as well as a plan for serving vulnerable populations and reporting annually on the network's progress.

CHA staff reiterated CHA's opposition to the inclusion of abortion in the basic benefit package and its support for a conscience clause in any health-care reform proposal.

Operational Concerns

CHA recognizes the many operational concerns of providers entering into integrated delivery arrangements, Cox added. He said the association's 79th Annual Assembly in June will focus on operational issues (see pp. 41-44).

CHA is producing a series of workbooks to supplement its *Handbook for Planning and Developing Integrated Delivery*. The first two, which will explore the questions of capitation and risk sharing and of physician relations, will be available at the assembly. A third, on becoming the lowest cost provider in the community while serving the poor, will appear in the fall, Cox said.

“We need to look at changes through the prism of our ministerial and theological perspective—from the perspective of compassion and direct service,” he said. This perspective is essential to sponsors, who will find it difficult to stay in health-care if reform means reducing healthcare from a service to a commodity, Cox noted.

—Judy Cassidy

CHA ADVOCACY DATA BASES

The Catholic Health Association has created two data bases to help members advocate for healthcare reform. One is a mass communications data base that lists 750 advocacy coordinators from CHA-member systems, facilities, and sponsors by their congressional districts. The advocacy coordinators were designated in response to CHA's request that member organizations appoint specific persons to guide their advocacy efforts.

CHA will use the data base to target mailings about political events or key votes in congressional committees to members in specific states or congressional districts and to receive quick member response.

A second data base tracks information CHA staff and members receive at meetings with legislators on Capitol Hill. Representatives of other organizations involved with the Health Care Reform Project (see p. 7) also supply information from their visits to Congress.

CHA's Mike Davis, who coordinates the data bases, urged CHA members to obtain information from the second data base when planning visits with congressional representatives and to share information about their visits. To access or add to data base information, CHA members should call CHA's Washington office at 202-296-3993.