



HEALTH POLICY BULLETIN

FOCUS: HEALTH CARE POLICY IN THE NEXT SESSION

For this month's edition we asked several persons prominent in health care policy which issues are likely to be addressed over the next two years in Michigan. The focus is on legislation, but these policy makers also raised issues and programs outside the province of the legislature. Some detailed their organization's priorities, others did not. We offer their comments in the spirit in which they were made—as an informal overview of important health matters, not as "official" policy statement.

Representative Michael Bennane, chair of the **House Committee on Public Health**, sees the budget and rural health care as the two most important issues in the next session. He is considering establishing a subcommittee on rural health care—"we need to do something before we are in a real crisis situation." The acceptance of Medicaid patients and waiting lists at nursing homes also concern him: "There's a balancing act between the patient's ability to pay and the nursing home's ability to keep its head above water." His committee will keep an eye on the recently passed AIDS legislation: "I think it's a pretty good package, but how will it work out in the real world? AIDS is the kind of disease where major changes in knowledge will require major changes in law."

Carol Franck, executive director of the **Michigan Nurses Association (MNA)**, expects her organization to take up many problems remaining from last year. "To address the nursing shortage, we will continue to advocate standardization of nursing education in higher education institutions while maintaining two tracks, bachelors' and associates' degrees," Franck says. She adds that the MNA will pursue measures to improve state funding for nursing education and promote direct reimbursement for nurses. The MNA is also concerned with access to health care for vulnerable populations—the young, the poor, and the elderly—and adequate financing of basic health services.

Robert Ortwein, health policy specialist for **Senate Health Policy Committee** chair William Sederburg, says the committee will work to create the **Michigan Public Health Service Corps**, an idea introduced last session by Senator Sederburg "to deal with the shortage of physicians in rural areas and in the inner cities." The bill offers medical school loan repayment for physicians in certain specialties who agree to serve in assigned health resource shortage areas. It also establishes a grant program for minority medical and nursing school students who, upon graduation, agree to practice in assigned areas.

Ortwein says that the threat of rural hospital closings is an "acute" problem that will not wait for the Governor's Access to Health Care Task Force report in September. "The problem must be resolved now," Ortwein says. "We hope to take up the issue early in the session." He adds that the committee will need to clean up the language of the AIDS package that was hurried through the legislature in December. Ortwein anticipates the introduction of "control-oriented" AIDS bills, but he believes that the quicker dissemination to the public of prevention information will emerge as the focus of new legislation.

Dennis Paradis, group vice president for Government and Professional Affairs at the **Michigan Hospital Association**, echoes the sentiments of many when he says that the Medicaid budget will be the major health care issue of the new year. "The state no longer has the money to fund the package it has promised people. A great deal of political pain and suffering lie ahead." Paradis agrees that rural health care also is a major problem in Michigan. "The financing of health care does not permit freestanding rural hospitals to survive. We need to rethink what is needed in rural areas. Whatever that is—it may not be hospitals—we must persuade health professionals to stay nearby to provide necessary services. The rural health care infrastructure is disintegrating—and state as well as federal attention is needed to shore it up," Paradis explains. Indigent health care is another matter that will command attention. "The state's financial situation is worsening at a time when it needs more resources to help the indigent," Paradis says. He is not convinced that the recommendations of the Governor's Access to Health Care Task Force, expected in the fall, will take precedence over those of the governor's cost-containment committee. "Assuring access and containing costs are at cross-purposes. Unfortunately, cost containment appears to be winning."



Mitchell Rinek, M.D., chair of the Committee on State Legislation and Regulations, Michigan State Medical Society (MSMS), views pension plan protection, tort reform, and physician licensure and discipline as among the priorities for the MSMS in the coming session. He notes that "Speaker-elect Dodak has indicated that legislation to protect qualified pension plan assets from bankruptcy proceedings after a civil suit will be one of the first issues addressed by the House in 1989." As the costs of medical malpractice insurance continue to rise, Rinek says, improvements in the tort system will continue to be a top priority. "A number of alternatives should be explored . . . including a no-fault system." Rinek says "the MSMS will be heavily involved with an ad hoc committee to be named by Speaker-elect Dodak to look at the current physician licensure and discipline system. This committee, which will be named early in 1989, will examine all aspects of establishing a process by which the MSMS or a similar group will be responsible for the licensure and discipline of all medical doctors in the state."

Deborah Smith-Callahan, government relations manager for Pfizer Pharmaceuticals, sees the underfunding of the Medicaid budget as the central issue in 1989. "Medicaid seems to be taking a disproportionate share of the cuts in the proposed budget," she says. "One option that has been mentioned, the complete elimination of pharmaceuticals coverage for Medicaid recipients over age 21, is particularly disturbing. We are moving toward one of the most restrictive medication programs in a state that has prided itself on having an enlightened Medicaid program." Smith-Callahan also cites the expansion of managed care as a matter that may arise in the legislature. "Although the Physician Primary Sponsor Plan in Wayne County is not without problems, it has shown that it can lower health care costs without significantly affecting access and quality of care. Such programs could be expanded to outside Wayne County."

Larry Wagenknecht, executive director of the Michigan Pharmacists Association, says that his organization's efforts will be concentrated on the Medicaid budget. As policy makers wrestle with improving access to health care, they will have to decide the extent to which indigent and Medicaid patients' freedom of choice to select providers will be curtailed. Conflict of interest in health care, Wagenknecht adds, also will likely be taken up in the next session, including the appropriateness of physicians owning clinical laboratories and dispensing prescription drugs.

Raj Wiener, acting director of the Michigan Department of Public Health (MDPH), foresees much activity on children's issues. The MDPH will work with the Department of Social Services on the "Children's Investment Strategy," a six-pronged attempt to improve the health of the state's young. Wiener explains one aspect of the plan: "We want to create a sentinel program to reach high-risk pregnant teenagers and teenage mothers—children having children. We envision a basic program, offering comprehensive instruction and care—parenting classes, nutrition counseling, psychosocial counseling, and others. Although we offer these services now, they are not mandatory. We hope to make them mandatory." As part of the strategy, Wiener also hopes to establish a review board to examine child deaths and suggest ways the social welfare system can be sure children are given adequate attention.

Other facets of the Children's Investment Strategy involve curbing violence, the leading cause of death among black youth, and reducing drunk driving, the leading cause of death among white youth. "The MDPH is designing a module for teaching nonviolent conflict resolution early on in the schools," Wiener explains. "This reflects our belief that violence is a public health issue." One proposal under consideration to reduce drunk driving fatalities is to lower the level of legal intoxication for teenagers. "This will be controversial," Wiener acknowledges, "but it is no secret that alcohol affects a fifteen-year-old differently than it does a forty-year-old."

Wiener says that the state will have to decide in February or March, after federal regulations are published, whether Michigan will opt into the federal medical waste disposal program or create its own. She suspects that Michigan will choose the latter. Finally, as do many others, Wiener believes the budget will dominate activity. "We are engaged in defining the basic services that government should provide. That is painful and controversial, but it is necessary."

OF INTEREST Senior citizens whose incomes are below 150 percent of poverty will be eligible in 1990 for a tax credit of up to \$600 per person for prescription drug costs over 5 percent of household income. Stuart White, legislative director of the Office of Services to the Aging, estimates about 100,000 senior citizen households in Michigan will be eligible for the credit. Reimbursement rather than a special prepaid drug program for services is expected to keep program costs at an affordable level, currently targeted at \$20 million. The absence of requirements for generic versus branded drugs and other features, such as maximum allowable charges, enabled the program to sidestep controversy.

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