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HEALTH POLICY BULLETIN

FOCUS: DEMOCRATIC TASK FORCE ON HEALTH CARE

Late last month the House Democratic Task Force on Comprehensive Health Care, chaired by Rep. David Gubow, issued its report. The report consists principally of four sections—Democratic goals for health care reform, long-term goals, implementation of long-term goals, and short-term recommendations for health care reform—plus a background paper. The report provides a rationale for and attempts to tie together an eighty-bill package, the House Democratic Health Initiative.

• ***Long-Term Goals*** *Access* to care for all, according to the report, means a federal plan. To control *medical care costs* state expenditure goals should be established to reduce the growth of health care costs, the possibility of an all-payer system should be studied, and consumers should have information available that enables them to make informed choices about care and to aid in cost containment.

Quality health care would be assured by enacting the ealth professionals' licensure and discipline package (the House version), by developing and using national practice standards, by including prevention and early intervention services, and by providing information about cost and treatment outcomes so that consumers could make intelligent choices about their care.

In the report, *efficient and cost effective delivery system* means managed care programs in the public and private sectors, the adoption of utilization review criteria to reduce unnecessary and expensive care while establishing uniform standards that could be applied statewide, and reducing the expenditure of health care dollars on non-health-care services such as reviews and audits.

Consumers, purchasers, and providers, the report says, have different tasks to perform to achieve affordable and adequate quality health care. Consumers have to accept financial and lifestyle responsibility for their health. Employers must participate in reforming the system. Providers must adopt improved quality controls. The state's role is twofold: providing funding for public programs and creating incentives for medical education focused on primary care so that access to physicians is adequate. Finally, consumers should be able to *choose providers and treatment;* providers and patients should enter into cooperative, collaborative relationships when determining treatment, and incentives and information should promote consumer choices that are prudent and appropriate.

While the panel recognizes that implementation of the long-term goals is a task that will extend into the next century, the panel also believes that there are short-term recommendations that could be acted upon by the legislature now. Many of the short-term recommendations are reflected in the House Democratic Health Initiative.

• ***Short-Term Recommendations*** *Cost containment* would be furthered by the use of standardized claim forms by providers and facilities for submitting claims to insurers, HMOs, and the Blues (HBs 5272–5274), a move that several authorities have noted could reduce health costs considerably. The panel also recommends studying proposals such as Minnesota's for the creation of a statewide health care cost containment commission that sets targets for reducing the growth of health care costs and giving the CON Commission more authority (HB 5623).

Other recommendations include collecting and making available to consumers data on the performance of health care professionals (HBs 5529, 5530), enhancing the investigation and prosecution of health care fraud, limiting tax-exempt status for hospitals to facilities that accept Medicaid patients (HB 5531), and requiring hospital capital costs to be reimbursed under Medicaid in the same way that Medicare reimburses them (HB 5621).

Four recommendations urge the state to consolidate the administration of various programs and its purchasing agreements for health services to obtain better prices, increase spending on health promotion and prevention, and examine benefits for their costs and appropriateness.

Health promotion focuses on five problems: prevention of chronic disease, smoking, infectious diseases, infant mortality, and preventive health screening. The authors believe that (1) the state should continue to fund worksite wellness programs and (2) the antismoking, infectious diseases, and infant mortality initiatives should be enacted. They would also make family planning a basic health service and reinstate the Medicaid Early Periodic Screening Diagnosis and Treatment Outreach Program.

The recommendations for *affordable health coverage* are most relevant to the insurance industry and likely to draw some blood. One recommendation, the standardizing of Medicare supplemental policies, has already become law. A second urges that all commercial insurers and HMOs be required to insure all residents regardless of health status, thus providing company for the Blues in their role as the insurers of last resort. Other recommendations support pooling so that coverage would become more affordable for small businesses, limiting the ability of insurers to refuse to renew group policies, extending coverage of dependents on policies to age 25, and expanding programs to cover uninsured children who are not Medic-

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aid-eligible. Finally, the task force notes that the omission or limitation of mental health services benefits is serious and that such benefits must be included in basic health care coverage.

Access to health care targets physicians and the Medicaid program. Full funding of the Essential Provider Recruitment Strategy program is recommended along with the creation of incentives to encourage physicians to practice primary care medicine rather than specialty care. Low levels of reimbursement in the Medicaid program are also seen as a barrier to care; reimbursement should be increased and Medicaid coverage should be expanded so that families whose income is above 60 percent of the federal poverty level (the current standard for Medicaid eligibility in Michigan) could buy into the program at special rates.

Quality of care is a catchall area in the report. Six areas are explored under that heading: the licensure and disciplining of health professionals, mandatory quality audits for facilities and treatment settings, the activities of utilization review companies, access to and the retention of medical records, informed consent provisions, and deinstitutionalization of mental health patients.

The report notes that 75 percent of the malpractice suits are filed against 20 percent of the state's doctors. Enactment of the health professionals' licensing and discipline package would streamline that process and remove incompetent practitioners from practice sooner than the current system, and mandatory quality audits for facilities and treatment sites are recommended solutions to the quality of care problem. Another aspect of quality assurance is the regulation of utilization review companies and their operations in the state (HB 5152); the report recommends the licensure and regulation of the companies so that minimum standards can be enforced. Legislation to regulate access to medical records by professionals, third-party payers, and health facilities is recommended (HBs 5217–5220). Patients often feel they do not have enough information to enable them to make the best decisions about their health care; the report recommends requiring disclosure on all procedures so that appropriate discussions between the physician and the patient occur. The last area discussed under quality care is the deinstitutionalization of mental health patients; the report recommends that funds follow patients into community settings and that advocacy and protection efforts be funded adequately so that the rights of patients are protected (HBs 5857–5858).

The last problem area taken up by the task force report is *medical malpractice*. Reform of the system must include (1) improved quality of care for patients, (2) lower litigation costs, and (3) adequate compensation for injured persons. To those ends, the report recommends a pre-suit notification requirement, possible implementation of a single defendant system for malpractice occurrences in hospitals, and the development of practice parameters for all areas of medical practice.

Access to care for Medicaid recipients would be improved by providing partial reimbursement to physicians of their malpractice insurance premiums (HB 5878). Physicians would be required to prove financial responsibility through insurance policies or securities in much the same fashion as motorists do under the no-fault law. Hospital insurance costs could be relieved by making changes to correct the deep pocket problem. Physician concerns about premium costs could be met in part by reducing the number of classifications used by insurers.

The report closes the discussion by noting that medical malpractice is an issue that arouses strong emotions; it recommends the establishment of a bipartisan subcommittee of the House Committee on Judiciary to review all of the liability reform options. [A bipartisan House negotiating committee composed of reps. David Gubow, Richard Bandstra, and Thomas Hickner has begun work on HB 5435, a medical liability reform bill.] The report also recommends the reopening and staffing of the Medical Malpractice Investigation Unit in the Michigan Insurance Bureau.

● ***Democratic and Republican Packages*** A comparison of the Republican and Democratic approaches to some of these issues suggests that there is probably a large area of agreement between the parties. Both parties agree that small businesses need to have better access to the health insurance market. Extending coverage of dependent children to the age of 25 was a recommendation of the House Republican Report on Affordable Insurance. The Essential Provider Recruitment Strategy, a casualty of the current budget crunch, was a Republican initiative. Members of both parties favor using managed care for Medicaid recipients to cut costs and assure a minimum level of quality of care. Both groups have introduced legislation to change the licensure and discipline process for health professionals. Neither party (with few exceptions) is inclined to mount a campaign of vigorous opposition to the deinstitutionalization of mental health patients. There is agreement that some further reforms are needed in the medical liability system; both have endorsed pre-suit notification requirements, the establishment of practice parameters, and risk management activities.

As is generally the case, the areas of disagreement are in how to accomplish specific tasks, and how to reconcile different political world views so that legislation can be passed. Although we would suggest the differences are much smaller than has been supposed in this contentious legislative session, Republicans are likely to oppose an all-payer system, health expenditure targets, and "weak" malpractice reform proposals.

OF INTEREST

The CON Commission will hold its first meeting since December 1991 on Monday, July 13, at the Comfort Inn in Okemos. The meeting is scheduled to run from 10:00 a.m. to 4:00 p.m.

—Frances L. Faverman, Editor

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