

Health care rift may be healing

October 12, 2005 | By KEVIN O'CONNOR Herald Staff | Rutland Herald

Vermont legislative leaders and Gov. James Douglas appear to be taking small first steps toward bridging their canyon wide disagreement over how to pay for health care reform.

A Democrat-controlled Legislative Health Care Commission politely introduced the Republican governor to its new consultant Monday, three weeks after Douglas criticized the hire as a symbol of partisan politics.

The governor, for his part, has invited the commission to speak at the health care summit he's sponsoring Monday in Killington.

Douglas and Democrats still don't agree on what role the state should play in improving health care, especially for the 10 percent of Vermonters without medical insurance.

But in separate appearances Tuesday in Rutland, they acknowledged they'd have to work together for the state to curb skyrocketing health costs.

"We have differences of opinion, but we'll try to work through those," said commission co-chairman Rep. John Tracy, D-Burlington. "I believe there is a real commitment from both the Legislature and administration to make some real progress."

"I'm optimistic," the governor said later, "about finding some common ground."

The House and Senate passed a bill earlier this year to provide all Vermonters "essential health care services through a publicly financed, integrated, regional health care delivery system." But the governor vetoed the measure out of concern it would cost too much to sustain.

Since then, the Legislature has launched an \$800,000 health care study and last month hired Kenneth Thorpe, chairman of the School of Public Health at Emory University in Atlanta, as a consultant.

Douglas initially criticized the appointment as partisan, noting Thorpe served a decade ago as a chairman of President Clinton's health care reform task force. But the governor accepted an invitation to meet the consultant Monday and came away with more diplomatic words.

"It was a good meeting," said Douglas, who invited Thorpe to meet with Vermont Health Commissioner Paul Jarris.

Douglas appeared in Rutland to see the \$3.7 million renovation of downtown's Tuttle Block. Tracy, for his part, joined the House Health Care Committee and Senate Health and Welfare Committee for a public meeting at the nearby Howe Center.

A crowd of about 75 people told legislators they had to do something to lower health care costs.

"It is a problem," said Diane Novak, director of the Southwestern Vermont Council on Aging.

The House and Senate committees, having met in Springfield last month, will gather Oct. 18 in Lyndonville, Oct. 20 in Burlington, Oct. 25 in Bennington and Nov. 1 in Barre.

The governor, in turn, has invited more than 150 medical professionals and community and business representatives to a health care summit Monday at the Killington Grand Hotel.

It will feature presentations by groups ranging from Vermont Businesses for Social Responsibility to the Vermont League of Cities and Towns, a speech by Dartmouth Medical School professor Dr. Elliot Fisher, and roundtable discussions.

"We've invited a number of legislators, and I'm glad they're coming," Douglas said. "I think it will be an important step forward."

Lawmakers hope to unveil some sort of reform proposal at the start of the legislative session this winter.

"We can't afford not to come to some consensus," said Rep. Harry Chen, D-Mendon, an emergency room physician. "It's my hope the governor will give some and we'll give some."

"We need to be reaching out and talking to each other," Vermont House Speaker Gaye Symington added. "This isn't something you can solve all at once, but we want to take meaningful steps."

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As governor's forums conclude, lawmakers begin hearings

By Ross Sneyd, Associated Press Writer | October 4, 2005

MONTPELIER, Vt. --As Gov. James Douglas held the last in his series of regional health reform forums, legislative Democrats prepared to launch their own hearings into a subject that has become fraught with partisan politics.

The Republican governor and the Democratic leaders remained wary of each other Tuesday even as they also tried to find ways to tone down the rhetoric and work together.

The Democrats have arranged a meeting next week among themselves, Douglas and a health care consultant they've hired but who has been criticized by the administration as too partisan.

And the governor has invited the Democrats to participate in his upcoming summit on health care despite the legislators' criticisms that the presentation was stacked to favor Douglas' view.

"If there's any opportunity to have a meeting and perhaps have some dialogue, we hope this will be it," Senate Health and Welfare Committee Chairman James Leddy, D-Chittenden, said of next week's meeting. "There've been few opportunities for such discussions. I think it's critical. I think it's necessary."

By the same token, senior members of the administration hope that the governor's Oct. 17 summit in Killington will offer opportunities for finding common ground.

"We hope Sen. Leddy and his colleagues will recognize this is an olive branch in this important dialogue," said Douglas spokesman Jason Gibbs. "I know the governor is looking forward to (next week's) meeting with Sen. Leddy, Representative Tracy and Mr. Thorpe and that, too, could serve as a platform for progress."

Leddy and Rep. John Tracy, D-Burlington, are co-chairman of the Legislature's Commission on Health Care Reform, which has hired researcher Kenneth Thorpe. He's the chairman of the School of Public Health at Emory University in Atlanta.

But Douglas has criticized Thorpe as a poor choice, demonstrating that Democrats already know how their studies should turn out, because he worked in the mid-1990s for President Bill Clinton's administration, spending part of that time on the unsuccessful health care reform initiative.

Gibbs repeated that the administration believes lawmakers missed an opportunity to demonstrate they were open to different ideas, but he said Douglas was nonetheless interested in hearing from Thorpe.

"The governor's focused on moving forward and this is one way for us to do that," Gibbs said.

Democrats, though, are not sure the governor's sentiments are being demonstrated by the planning for his health summit. They look at the list of people and groups invited to present their versions of health care reform at the summit and concluded that Douglas is guilty of the same thing he accuses them of: having a preordained result in mind.

"It is presented as a nonpartisan event. It is totally without balance in who is presenting," Leddy said.

There will be presentations by several groups representing business, health insurers and the Vermont Medical Society, but no one representing the poor, those with disabilities, or senior citizens, Leddy complained.

Gibbs responded that Vermont Businesses for Social Responsibility has been invited and so has Leddy himself. "I respectfully disagree with Sen. Leddy and hope he'll bring an open mind," Gibbs said.

Douglas, lawmakers still differ on solution

Gov. James Douglas and state legislative leaders say they want to reform health care by listening to Vermonters. But as demonstrated Wednesday, officials are having difficulty hearing each other out.

Douglas came to Rutland to convene the third of six regional forums he's holding this fall before the Legislature debates reform proposals this winter.

"We need to reduce premiums for people who are insured and reach out to those who aren't," the governor said.

But legislative leaders, unhappy with the governor's opposition to their plans for a publicly financed system, will host their own meeting in Rutland next month.

"We see a real sense of urgency I don't think the administration sees," Rep. John Tracy, D-Burlington, said in a telephone interview. "The governor's plans to date have relied on the private sector, and a lot of that may or may not work."

A crowd of 75 people at Rutland's Howe Center seemed less interested in who was listening than the fact someone was.

"I'm a very plain-viewed person," Frank Kinney of Poultney told the governor. "I don't like politics. How can we fix it? Whatever it takes, it has got to get done."

The Democrat-controlled House and Senate passed a bill earlier this year to provide all Vermonters "essential health care services through a publicly financed, integrated, regional health care delivery system." But the governor, a Republican, vetoed the measure out of concern it would cost too much to sustain.

"When people say the state should take over all health care, I say a \$3 billion operation?" Douglas said Wednesday. "We'd have to septuple our income tax."

Legislators have responded by launching an \$800,000 study on ways to improve health care, especially for the 10 percent of Vermonters without medical insurance.

"We're doing this because there isn't the sense of crisis in the administration that there needs to be," Tracy said.

In response, the governor only had to point to his Rutland forum and two preceding sessions that drew 150 people each in Bennington and Lyndonville. They come two weeks before the House Health Care Committee, chaired by Tracy, and the Senate Health and Welfare Committee, chaired by Sen. James Leddy, D-Chittenden, kick off their own public meetings.

The House and Senate committees will meet Sept. 29 in Springfield, Oct. 11 in Rutland, Oct. 18 in Lyndonville, Oct. 20 in Burlington, Oct. 25 in Bennington and Nov. 1 in Barre. Legislative leaders will announce specific times and places later through press releases and on the Web address www.leg.state.vt.us/speaker/pubengdates.htm

Douglas, for his part, will host three more forums, Sept. 20 in Springfield, Sept. 29 in Northfield and Oct. 4 in Milton. (He'll publicize specific locations soon.) He'll then hold a statewide health care summit Oct. 17 in Killington, bringing together medical professionals, insurers, employers, consumer groups and advocates and, if it accepts his invitation, a separate Legislative Health Care Commission that's also studying the issue.

"We haven't had any outreach or conversations yet, but we want to engage," said Tracy, who co-chairs the commission with Leddy. "We don't have any choice."

The governor added: "People ask, 'Aren't you at loggerheads with the Legislature?' Maybe we are both stubborn. There's a fundamental difference of opinion. But I think there are some things we can agree on. Ultimately it's our responsibility to find some common ground and common sense solutions."

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What ails us?

Insurance isn't Vermont's only costly health problem

September 11, 2005 | Rutland Herald | By KEVIN O'CONNOR Staff Writer

Editor's note: State lawmakers and Gov. James Douglas will hold public hearings this fall on ways to improve health care, especially for the 10 percent of Vermonters without medical insurance. The Sunday Rutland Herald and Barre-Montpelier Times Argus today offer this overview of related issues — the first in a series of stories to appear periodically before the Legislature proposes reforms this winter.

As Vermont Health Commissioner Paul Jarris sees it, debating single-payer vs. private-sector medical insurance is like arguing whether to pull out your Visa or MasterCard after a dinner you can't afford.

He sums up the state's current dilemma in one sentence: "So much of the attention of the public and policymakers goes toward insurance and so little goes to what do we actually get for those dollars."

Jarris points to the Legislature, which has launched an \$800,000 study on how to offer health insurance to all Vermonters. The commissioner believes people need more affordable coverage, especially the one in 10 residents without any plan. But he and his peers know the state's health care system has other problems.

Consider, for example, the need to replace your doctor's illegible scribbling with a statewide computer network — just one missing link in a chain of ways physicians, hospitals and other medical providers could better collaborate.

Or look at the top-five list of Vermont killers, an often-preventable pandemic headed by heart disease and followed by cancer, stroke, respiratory ailments and accidents (with diabetes a close sixth, its rates having doubled in the past 25 years).

Or take the very weighty dangers of ordering too many decadent desserts. In Vermont, Jarris will explain, "about 30 percent of health care costs are due to obesity."

Good news, bad news

The list goes on. But if you're pouring syrup on pancakes right now, you probably don't want to read about diets or exercise routines, let alone the other fixes medical experts prescribe. It's easier to swallow the fact Vermont is ranked the third healthiest state in the nation by the private, nonprofit United Health Foundation.

The foundation trumpets Vermont's lowest-in-the-country rates of motor vehicle deaths (0.7 per 100 million miles driven), violent crime (107 offenses per 100,000 people) and infant mortality (4.3 deaths per 1,000 births). In addition, the state is one of 10 with the lowest rates for smoking, infectious disease and premature death.

"Vermont," the foundation says in its latest report, "will likely remain among the relatively healthy states in the future."

But even the foundation warns Vermont has its "challenges." The state reports a high rate of cancer deaths (207.3 per 100,000 people, higher than 29 other states). A high rate of cardiovascular deaths (309 per 100,000 people, higher than 17 other states). The fact about one in 10 Vermonters is living with diabetes.

Helen Riehle, head of the private, nonprofit Vermont Program for Quality in Health Care, can list even more problems.

"Policy-wise, people focus on cost and access, but from our perspective, why would anyone want to spend more dollars or have greater access to low-quality health care?" Riehle says. "There are a gazillion things you could do for quality improvement."

Where to start? Riehle's office in Montpelier has nine employees seeking to check on and consult with the state's entire health care system. The staff can point to 17 years of developing standards, collecting data and studying and surveying where to focus its \$1 million annual budget.

But metaphorically speaking, the Program for Quality works like a bunch of messy roommates a half hour before company calls: You aim to clear the biggest, easiest-to-reach stumbling blocks first.

Fastest-growing disease

The program's latest annual Vermont Health Care Quality Report targets several key problems, starting with diabetes, the state's fastest-growing disease.

Some background: More than half of all Vermont adults have some sort of chronic health condition. These ailments account for 76 percent of all physician visits, 81 percent of hospital admissions, 91 percent of prescriptions and about \$2.3 billion of the nearly \$3 billion spent on health care in the state annually.

"Chronic condition" used to mean a persistent problem with your heartbeat or breathing, or something your grandparents complained about, be it arthritis or Alzheimer's disease. Now, for more than 40,000 Vermonters and 18.2 million Americans young and old, it means diabetes, a disease in which a person's body has trouble producing or processing insulin to control blood sugar.

An estimated 6 percent of Vermont adults have been diagnosed with diabetes, the state says. Why the remaining 94 percent of the population should care: Another 3 percent has the disease but doesn't know it, while 15 percent more have high blood sugar levels that could lead to it.

The problem has ballooned to the point the state Health Department has an office devoted to the disease. Diabetes is the sixth leading cause of death in the state and nation, says Robin Edelman, head of the state's diabetes program. It is a major contributor to high blood pressure, heart disease, stroke and infection, and the major cause of lower limb amputations, blindness and kidney disease.

What is the state doing about it? Edelman could point to several treatment programs, but instead starts with public awareness. One national survey that shows less than 10 percent of Americans consider diabetes a serious problem. Although people can't change risk factors such as genetics, age, ethnicity or family history, they can modify others — specifically through healthy diet and exercise.

"We need to be eating less and moving more — that's the simple way to stave off diabetes," Edelman says. "People can control diabetes, or diabetes can control them."

Wash your hands of it

Vermont experts also are concerned about a growing number of people who get infections when they go to the hospital.

Between 5 to 10 percent of hospitalized Americans — or about 2 million patients a year — acquire some sort of infection, national studies show. This results in an estimated 90,000 deaths and \$4.5 to \$5.7 billion more in annual health care costs.

Vermont's 14 community hospitals aren't required to publicize their infection rates (Pennsylvania is the only state to publish such figures), but "we feel there's no way we're any different," says W. Cyrus Jordan, medical director at the Program for Quality.

The program is pushing for more careful use of antibiotics, intravenous instruments, catheters and ventilators. But Jordan says the simplest way to stop hospital infections is to make sure your doctor and nurse wash their hands better.

Most professionals start the day scrubbing with soap and water. But Jordan says they need to repeatedly use an alcohol-based disinfectant "so to not spread potentially invasive bacteria from one patient to another."

Nationally, hospital workers comply with such hand-washing recommendations anywhere between 16 to 81 percent of the time, statistics show. In Vermont, the Program for Quality has received a grant to study "hand hygiene" with hospitals and the Health Department in hopes of sparking improvement.

Another concern: An estimated 44,000 to 98,000 Americans die from medical errors annually — more than those who die from motor vehicle accidents (43,000), breast cancer (42,000) or AIDS (17,000).

"One pervasive obstacle to improving the safety of the health system is that the current health care culture does not encourage reporting of errors and near-misses," the latest Vermont Health Care Quality Report says. "Rather, the typical reaction is to blame and shame the individuals involved when something goes wrong."

The Program for Quality is calling for more honest reporting and improvements to prevent future errors. It also is joining the Health Department in seeking a statewide health information system.

A computer registry, experts say, could streamline records now scattered among hospital clipboards and doctors' file drawers. Patients wouldn't have to search for their health histories. Providers could avoid duplicating efforts and more easily determine local and state trends.

"We never will improve health care if we keep using paper and pencil and illegible writing — it's completely archaic," Jarris says. "We've got to develop systems that create better access to health care information, both for the patient and the provider."

Preventing problems

The Program for Quality has four major targets: diabetes, hospital-acquired infections, a statewide health information system and, finally, better end-of-life care.

In Vermont, 77,510 people — or 13 percent of the population — are age 65 or older, census figures show. That number is expected to almost double to more than 138,000 — or 20 percent of the population — in 20 years. By 2040, there likely will be more Vermonters over age 85 than there are over 65 today, the state estimates.

Although officials can project the future, they have yet to plan for it.

“The dearth of information about the topic must be addressed before resources can be effectively directed at improving the care we receive,” the latest Vermont Health Care Quality Report says.

At the Health Department, Jarris points to more immediate problems. Growing demands by the elderly are rivaled by the current needs of children and adults with chronic illness or disabilities.

Asthma is an example. More than 12 percent of Vermont adults have the respiratory disease, compared with 11.7 percent nationally. It’s the second leading cause of chronic illness in children and teenagers, affecting 10.8 percent of Vermonters under age 18. But the health care system in the state and nation is better equipped to react to emergencies than prevent them.

Vermonters with asthma collectively visit emergency rooms more than 2,000 times annually at a cost of almost \$1 million, the state says. But fewer than half of Vermont children with asthma have a written management plan from their doctor.

Rutland Regional Medical Center has established a special asthma clinic that has reduced emergencies by promoting long-acting medications and prompting at least four patients to quit smoking. It’s the only such program in Vermont accepted in the national Asthma Health Outcomes Project.

So why aren’t more similar clinics promoting prevention?

One reason is cost. Under the current system, doctors and hospitals are paid for every service they provide. Treat people? Reap revenue. Prevent problems? Thin out your waiting room and wallet.

“Our economic model is broken,” Jarris says. “Doctors need to be rewarded for developing and delivering quality care.”

Weightier challenge

Jarris’ department had drafted a “Vermont Blueprint for Health” that calls for providers to share more data and decision-making with patients so they can better care for themselves. But the health commissioner fears that even if the system fixes its internal problems, it could be overwhelmed by a weightier outside challenge.

“Obesity is driving so much new chronic illness,” Jarris says. “We’re seeing larger and larger portions of more and more food at the same time we have a population that’s more sedentary.”

News reports this August trumpeted the fact Vermont was one of four states with the lowest percentage of obese and overweight adults, ranked 47th in the nation by the nonprofit Trust for America’s Health. What got lost was the bad news behind the headlines: Even though Vermont scored well compared to other states, more than half of its adults have a weight problem.

About 20 percent of Vermont adults are obese — double the figure from 1990 — and another 35 percent are overweight. (Such terms are tied to the relationship between a person’s height and weight, or “body mass index.” You can calculate your body mass index on the national Centers for Disease Control and Prevention’s Web site www.cdc.gov.)

What harm will one more doughnut do? Obesity is the second leading cause of preventable death in the state, after smoking, statistics show. It’s also the third leading cause of chronic illness, after aging and poverty. Being overweight increases your odds of suffering cancer, depression, diabetes, heart disease, high blood pressure and cholesterol, infertility, gallbladder disease, osteoarthritis — “you name the chronic illness,” Jarris says.

The problem isn’t limited to adults. Almost one quarter of all Vermont high-school seniors are considered overweight, compared with almost one third of all eighth-graders, the latest Vermont Youth Risk Behavior Survey reports. (Statisticians don’t use the term obese with children and teenagers.)

The solution is seemingly simple: Diet and exercise. But experts don’t like to utter those specific words, fearing they sound too draconian to the remote-control crowd.

“It’s fitness and nutrition,” Jarris says, “starting all the way in the prenatal period.”

The health commissioner recalls when Vermont became the first state to ban smoking in most indoor public places, in 1993. Although he doesn't have any specific suggestions for lawmakers, "we need to be equally bold around fitness and nutrition," he says.

'Most important provider'

Vermont health officials say it's their duty to care for the collective well-being of the state. But for all their programs and proposals, they agree one person's ultimately in charge.

You.

"The most important provider of health care is the individual himself," Jarris says. "The first step is to do everything you can to be as healthy as you can, and when you develop a chronic illness, be an active participant in your health care."

State health officials are studying ways that physicians, hospitals and other providers can better inform and involve patients. But making changes to a system that employs more than 41,500 people — or almost 10 percent of all Vermont workers — isn't as simple as take two aspirin and call a state regulator in the morning.

The Program for Quality first targeted diabetes and hospital-acquired infections in 2003, then added end-of-life care and a state health information system to its list of priorities last year.

"You don't nail it in a year," Riehle says. "All of this will continue."

Riehle understands the Legislature's current interest in health insurance: she used to be a Chittenden County state senator. But in her new job, she likens a balanced health-care system to a milking stool.

"There are three legs — access, cost and quality."

Vermonters will hear a lot more talk about health care in the coming months. A Legislative Health Care Commission and Gov. James Douglas plan on holding separate hearings throughout the state this fall in anticipation of tackling the insurance question this winter.

Jarris hopes the political discussion will spark a larger public debate.

"We could get so bogged down in single-payer vs. private-sector insurance that we don't accomplish anything," the health commissioner says. "It is hugely complex, but like any process, it's one step at a time."

To your health:

Vermont experts say:

— Start with healthy eating and exercise

"We need to be eating less and moving more," says Robin Edelman, head of the state of Vermont's diabetes program

— Make sure health-care providers wash their hands before treating you

"It's so to not spread potentially invasive bacteria from one patient to another," says W. Cyrus Jordan, medical director of the Vermont Program for Quality in Health Care

— Learn more about your health, specifically how to prevent problems and deal with current conditions

"The first step is to do everything you can to be as healthy as you can, and when you develop a chronic illness, be an active participant in your health care," says Vermont Health Commissioner Paul Jarris.

Just the facts:

— Vermont health-care spending averaged \$4,140 per person in 2001, compared with \$5,035 nationally.

— U.S. drug spending is increasing an average of 13.6 percent a year, making it the fastest growing component of health-care spending nationally. But Vermont drug spending is rising even higher — an average of 16.1 percent.

— Vermont had 89.9 hospital admissions per 1,000 people in 2002, compared with 123.2 nationally. The state's reports of back and neck surgery were half the national average, but its hip, knee and ankle replacement numbers were slightly higher.

— 76.1 percent of Vermonters age 25 or older had their teeth cleaned by a professional in 2001, compared with 69 percent nationally. Also, 25.6 percent of Vermonters age 65 or older have lost all their natural teeth, compared with 24.4 percent nationally.

Source: Vermont Program for Quality in Health Care's Vermont Health Care Quality Report

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Health care reform, rising medical costs top Welch's campaign agenda

August 8, 2005 | By ANDREW McKEEVER Herald Staff | Rutland Herald

ARLINGTON — The last time there was no incumbent officeholder to defend the job as Vermont's sole congressional representative, Ronald Reagan was president.

The year was 1988, when Rep. Jim Jeffords took his shot at the U.S. Senate. Now, with Jeffords' retirement, he has played a role in creating a new open seat in the U.S. Congress, by tempting Rep. Bernie Sanders to throw his hat in the Senate ring.

That brought Peter Welch, D-Windsor, senate president pro tempore, to the pavilion of the Arlington Recreation Park Saturday, in search of some early, but possibly vital support for his bid for Sanders' seat.

The occasion was a barbecue picnic hosted by the Bennington County Democrats, and it was a chance for Welch to try out a few campaign themes on a receptive audience.

Health care reform was at the top of Welch's list, and the log jam at the state level between Republican and Democrats over costs and coverage can be best broken by the federal government, Welch said.

The rising costs of health care in Vermont — which Welch said is increasing at the rate of \$1 million per day — demand leadership from Washington D.C.

"Vermont has fought heroically to keep taxes down," he said. "The increase in the Medicaid deficit is directly due to the federal government."

Welch also signaled that protecting the environment and ramping up efforts to make more efficient use of energy resources are themes Vermonters are likely to hear more about as his campaign for the Democratic nomination gathers steam. But the relationship between the state and federal government is the key, he said.

"As senate president, I see everyday how much of an obstacle the federal government is," he said. "It should serve as an ally, not an adversary."

Welch is likely to find himself in a primary battle with former state Sen. Peter Shumlin of Putney, and several of his audience indicated they would wait a while longer before making up their minds.

Kathleen Cassidy of Manchester, who described herself as an independent voter, said she liked what she heard from Welch, saying the war in Iraq and health care are the most important issues for her.

"I'm just hoping for a brighter future," she said.

Tyler Resch, the Bennington Museum librarian, said while Welch would make a strong candidate, he isn't ready to commit just yet.

"It's early for this," Resch said. "But it's an indication that Bennington County Democrats are becoming more invigorated and I'm sure the Republicans will pour a lot of dollars in Vermont."

It may be early, but that is what it takes to win open seat races, said former Republican House Speaker Walter Freed in a telephone interview.

Freed, who stepped down from post last year, is serving now as a member of Douglas's special health care commission that has been meeting in Montpelier during the summer. He said it was likely to be an expensive race.

"You have to take the pulse of the electorate to see if you have support," he said. ""You have to get around county by county and build a team. As early as it may seem, if you're not bringing in the team now, later on everyone is gone."

On the Republican side, Freed said he expected Gen. Martha Rainville, who has yet to formally announce her candidacy for Sanders' congressional seat, would be a formidable opponent for Welch or whoever else the Democrats nominate.

But Rainville, who would be making her first try for statewide office, is not all that well known by Vermonters, said Sen. Dick Sears, D-Bennington, after Welch made his pitch to the local Democrats.

Sears cited a recent poll that indicated Rainville was only known by 8 percent of Vermonters, a gap she will have to overcome if she is going to be competitive, he said.

By contrast, both Welch and Shumlin are well known, and Sears said he would be happy to support either one after next year's primary.

"It's important that Vermont sends a Democrat to Washington to replace Bernie," he said. ""We have to keep our voices heard."

Acknowledging that Sanders will be tough to beat, Freed said Sanders does have an Achilles heel.

"He has a lot of out-of-state money, and I'm sure he will call on them again," Freed said. "He never has a positive message, and he's against everything."

Hartland Institute: "Community Rating Wreaks Havoc "

Written By: Sean Parnell | Published In: *Health Care News* / Publication Date: August 1, 2005
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Vermont's state government contributed to the state's uninsured problem by mandating guaranteed issue (forbidding insurance companies from denying coverage to anyone who applies for health insurance, including people who are already sick) and community rating (requiring insurance companies to charge the same premium to everyone, regardless of age, health history, lifestyle choices, and other factors) in the health insurance market.

The late Conrad F. Meier, former managing editor of *Health Care News*, wrote a special eight-part series in 2004 documenting the damage these laws have done in states that have adopted them. (See "How Eight States Destroyed Their Individual Insurance Markets," <http://www.heartland.org/Article.cfm?artId=15675>.)

"Community rating and guaranteed issue have wreaked havoc on Vermont's small group and individual insurance markets, just as they have in states across the country," Meier wrote in March 2004. "The percentage of the state's population that is uninsured has increased, not fallen, since the mandates were imposed; premium rates have increased; and more Vermonters than ever are having to settle for government-run Medicaid in order to get insurance. Vermont is now second in the nation, after Tennessee, in the proportion of its under-65 population covered by Medicaid (21 percent)."

Meier noted, "Repealing community rating and guaranteed issue mandates should be high on the reform agenda. Mandated insurance benefits, which needlessly raise the price of insurance, should also be rolled back. Giving individuals who buy insurance the same tax breaks as those whose employers provide insurance is yet another promising reform."

Meier also recommended creation of a statewide high-risk pool to address the needs of the medically uninsured and uninsurable without skewing the insurance market for everyone else, and better payments from the public system to health care professionals and facilities.

In a 2001 article for *Health Care News* ("Vermont Suffers Under Health Insurance Illusion," <http://www.heartland.org/Article.cfm?artId=726>), Vermont State Rep. Frank Mazur (R-South Burlington) reported that in Pennsylvania, a family plan with a \$1,000 deductible cost \$190 a month; in Connecticut, \$230 a month. In Vermont, he noted, such a policy would cost more than twice as much, \$543 a month.

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Doctors complain about reimbursements frozen at 1995 levels

By David Gram, Associated Press Writer | August 9, 2005

MONTPELIER, Vt. --Dr. John Chard is nearing retirement, his medical education long since paid for and his family expenses lower than for many of his younger colleagues.

But the Brattleboro orthopaedic surgeon says he doesn't envy those just starting out in the field, particularly with the state of Vermont tightening the screws on reimbursements for Medicaid and now workers' compensation.

In one of the latest moves aimed at getting control of health care costs, the state Department of Labor has proposed rules that doctors say would freeze their workers' compensation payments at 1995 levels.

The Vermont Medical Society maintains that, with everything from the salaries paid to doctor's office nurses, to medical malpractice insurance, and with other overhead costs up significantly in the last decade, rates in real dollars are being reduced.

"Medical care of the workplace injury is one of the most difficult challenges most physicians face," Chard wrote recently to the Labor Department.

The cases are challenging in part because of an animosity that develops between the employer, who sometimes feels a worker is exaggerating the extent of an injury, and the employee, who is often fearful about keeping the job and suspicious of the employer's motives, Chard added in an interview.

"For the treating physician this means more post-operative visits, often uncompensated, and more planning and intervention to attempt to avoid the poor outcomes," he wrote.

Despite those difficulties, workers' comp cases are near the low end of reimbursements doctors receive from various forms of insurance, said Steve Larose, a spokesman for the Vermont Medical Society.

For an office visit connected with a case of low to moderate severity, Larose said Medicaid pays doctors \$35.17, workers' comp pays \$42.46, Medicare pays \$48.26 and private insurance companies pay between \$53 and \$72.

Larose said a recent study by a consultant to the Labor Department found Vermont second only to Massachusetts for the lowest workers' comp doctor reimbursements among five northeastern states studied.

"We would like the department to come up with a new rate schedule that pays doctors the average amount for workers' comp in the New England and New York region," he said.

Labor Commissioner Patricia McDonald and Stephen Monahan, director of the department's worker compensation and safety division, said the department had not yet made its new rules containing the rates final, and was taking into account comments it heard from doctors and others during a public comment period that closed last month.

The two officials said the department is on track to present their rules for review by the Legislative Committee on Administrative Rules by the end of the year.

"We're reviewing the concerns and the comments, whether we want to make changes in the proposed rule and, if so, what impact those changes would have on workers' compensation," McDonald said.

Monahan noted that the push for reduced medical costs originated in the Legislature, which last year responded to a call by Gov. James Douglas to lower workers' compensation costs to employers by passing reform legislation.

One of the things the legislation called on the department to do was to cut medical costs, one of the fastest-rising components of workers compensation costs -- most of the rest goes to salary replacement benefits paid to injured workers.

Monahan said the department's rule generally sought most of those savings by reducing reimbursements to hospitals. He said there have been minor adjustments to some reimbursements to doctors since 1995, but that the proposed rule generally called for those to remain at 1995 levels.

For his part, Chard said a failure to keep up with cost increases faced by doctors would hamper efforts by medical practices and hospitals to recruit young doctors to come to the state.

Dr. Robert Block, president of Bennington-based Taconic Orthopaedics, made the same point in a letter to the Labor Department.

"We at Taconic Orthopaedics are in the process of recruiting a replacement for the two senior physician/surgeons who intend to slow down in their practices after cumulative careers of 60 years," he wrote.

"It is almost impossible to attract any interest among recent graduates with Medicaid being higher volume than in any other state and its fee schedule set for a decrease and now Workers Compensation effectively decreasing," Block added. "You need to understand that if there is any hope for physician care in this state by the year 2010, this trend must be reversed."

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Medicaid making life tough for Vt. Doctors

July 31, 2005 | By ROBIN PALMER Staff Writer | Rutland Herald

His leather slip-ons skimming over pale green carpet, Dr. S. Glen Neale hustles from exam room to exam room, greeting patients with a smile and squinting through small spectacles at broken bones and torn ligaments on illuminated X-rays.

Every couple of patients, he slips back to his office to dictate his notes into a small handheld recorder. His speech is as rapid as his steps as he moves back into one of three exam rooms to see the next person in need of, or recovering from, surgery.

Over and over again he shouts out his medical assistant's name, Hallie Barney, joking with patients that it is the small, independent office's paging system.

Barney does everything from scheduling MRIs for the latest crushed finger, broken hand, torn knee ligament or needed hip replacement to bringing Neale a peanut butter-coated English muffin he quickly swallows mid-morning, and then a wedge of sandwich at lunch.

On this Friday, shortly after noon, Neale, an orthopedic surgeon in Morrisville, has already seen 15 patients, has nine more in the afternoon and has scheduled a surgery for early Saturday morning because it needs doing, he's the on-call doctor for the weekend anyway, and his busy schedule doesn't allow him to do it the following workweek.

Despite the pace, staff like Barney call it a "slow day."

One of the only orthopedic surgeons serving the Northeast Kingdom, Neale is in the office or in adjoining Copley Hospital early each day, stays late and logs about 60 hours a week, performing more than 400 surgeries a year. His practice, Mansfield Orthopedics, is clearly thriving, but look past the frantic pace and smiling face of Neale, and problems are looming.

Considering inflation, the 52-year-old Neale estimates he's making half what he did when he opened his practice 15 years ago in 1991. Each of the last four years, he's earned less money, seen his business costs rise and had to work harder. He doesn't want to, but he soon will sell his business to Copley Hospital, which in turn will assure him a steady salary. It's either that or move out of state, he says.

There's one main reason why Neale's business, and other practices like it, are struggling: It's Medicaid.

Vermont health-care providers liken the state's Medicaid health benefit to a food subsidy program that pays store owners only a portion of the price of their merchandise. Retailers wouldn't put up with that, say health care providers, and if Medicaid reimbursements continue to be cut back, neither will doctors. Instead, they'll move out of state, where they can earn more — or close their Vermont doors to Medicaid patients. And physician recruitment efforts will be hurt as doctors are aging and retiring, and hospitals will have to eliminate services.

The medical profession's concerns were heightened this year as legislators cut Medicaid reimbursements by \$19,643,309 for the fiscal year that began July 1. The cuts included \$16.5 million to hospitals, \$2.4 million to physicians, \$500,000 to home health and \$243,000 to dentists. The cuts were about \$1 million less than those proposed by the governor and did attempt to lessen the impact on primary care physicians, but they follow years of essentially level-funding in Medicaid and precede expected further cuts next year.

"We have done increases, but they have lagged behind any inflationary measure you may choose to use, and that's true back decades," says Joshua Slen, director of the Office of Vermont Health Access, which manages Medicaid, a program jointly funded by federal and state government. The program provides health insurance to the disabled and blind and low-income elderly, pregnant women, parents and children.

A quarter of the state's population receives some Medicaid benefit, so the program is a big part in doctors' and hospitals' earnings. But its cost is growing at such a rate that Medicaid's projected deficit was \$78 million in 2006 and a cumulative \$597 million in five fiscal years. The cuts, however, hurt the state's most needy and punish the very providers willing to provide the needy care, health-care providers say.

The problem with cutting Medicaid, say doctors, is that what the state now reimburses is at or below doctors' actual costs. According to the Vermont Medical Society, the \$2.4 million Medicaid reimbursement cut to doctors is being achieved by cutting office visit payments by 4 percent and other services by 7.5 percent. The different scale in cuts are meant to lessen the impact on primary care physicians, says medical society Executive Vice President Paul Harrington.

An example is the reimbursement for an office visit of low to moderate severity. Medicaid had been paying \$35.17. With the 4 percent cut, the reimbursement falls to \$33.76, Harrington says. That's about half of what the state's largest insurer, Blue Cross and Blue Shield of Vermont, pays, according to the medical society.

"At the current rate, doctors are making little, if nothing on Medicaid," says Steve Larose, the medical society's communications director. With the cuts, doctors will be losing money. " ... We're right down to the bone now," he says. "There's nothing left to squeeze."

Dr. Andrew Minkin, a gastroenterologist in Berlin, explains that 50 percent of a practice's revenues go to overhead, including salaries, benefits and facilities costs, such as rental or mortgage payments. If Medicaid reimbursements dip below 50 percent, the doctor loses money on those patients.

Fewer than 10 percent of his patients are on Medicaid. "The real concern is on the primary care practices, which have a heavy burden on Medicaid patients. ... The primary care practice is the foundation of medical care," Minkin says. "Part of the problem is some practices are closed to new Medicaid patients."

Like Dr. Neale, Dr. Melanie Lawrence of Bradford is taking a hit with Medicaid. Lawrence has a family practice where a third of the patients are on Medicaid or federal Medicare. Medicaid recently paid Lawrence \$33 for a patient's physical. Lawrence spent more than an hour with the patient and her costs exceeded \$100 for the same visit, she says.

Lawrence is concerned what those numbers mean for her practice. "I need to continue being able to provide services to these people. That's why I went into medicine. I can only do that if I continue to stay solvent," says Lawrence. A big concern for Lawrence is finding dentists willing to take Medicaid patients.

Dr. John Matthew, director of The Health Center in Plainfield, says his busy clinic is bursting at the seams, down a doctor and already having to turn away new Medicaid patients, including a surprising number of heroin addicts the state was sending his way for the drug buprenorphine. Medicaid patients make up 43 percent of the clinic's income. Most of that is from dental patients, whom the clinic does still accept.

Few central Vermont physicians are still taking Medicaid patients, he says, and he's seen specialists fold up shop because they couldn't make ends meet when treating Medicaid, and Medicare patients.

"I have patients who drive here from St. Johnsbury, Coventry, Irasburg, Newport, Morgan, Island Pond because they can't get care anywhere else," agrees Neale, the orthopedic surgeon.

Neale says he's careful not to look at a patient's chart before he enters the exam room so there's no temptation to treat a Medicaid patient differently than someone with private insurance. "I don't want to do that because I want to treat people appropriately," he says.

That's good for the patient, but doesn't help Neale's bottom line as he continues to open his doors to Medicaid patients. "Doing work for no money gets old," he says. "The system fundamentally needs to change."

Matthew couldn't agree more. "It can't be sustained as it is," says Matthew of Medicaid. "The bottom line is the people proposing these cuts have sadly little idea how this will turn out. The state can scare off doctors. The average family physician works 50 to 55 hours a week and it's going to be hard to tell them to work harder."

The Medicaid crunch is affecting hospitals too, and not just because of a cost squeeze. Rutland Regional Medical Center has been looking to recruit doctors. It's working with recruiting agencies, advertising and offering income guarantees for the first year, but still struggling to find doctors.

Vermont is an attractive place for doctors to live. But RRMC president Thomas Huebner says quality of life will only get the industry so far.

"There's only so much income differential doctors will absorb before they start thinking of living in New Jersey," he

said.

Without doctors, Medicaid patients will be forced to rely on hospital emergency rooms and hospitalization — a far more costly way to treat patients than regular checkups and preventive care, health-care providers say.

Central Vermont Medical Center President and Chief Executive Officer Daria Mason explains that for every \$1 in costs, the Berlin hospital collects 64 cents from Medicare or 86 cents from Medicaid. To compensate, costs are shifted to commercial insurance companies, which pay \$1.52.

The cuts have sliced per day room rates for inpatient hospital stays as well as outpatient services, such as surgical procedures. It's up to hospitals to figure out how they will either absorb the costs in their budgets by cutting programs or increase fees to patients with other insurers. Hospitals review their budgets with the state next month.

Gifford Medical Center President Joseph Woodin in Randolph called the cuts — particularly those proposed earlier by the governor, which would have prohibited further cost shifting — "especially challenging and probably painful."

"It's one of the most significant financial issues we've faced as a group of hospitals in probably 10 years," he says.

But Jason Gibbs, Gov. James Douglas' press secretary, says the impact of the cuts is being exaggerated. They represent less than 2 percent of spending in a \$3.2 billion enterprise.

"It's not as though the request that is being made is out of the realm of realistic," Gibbs says, noting other plans to add revenue to the system don't address the problem of swelling costs. He calls those proposals "trying to bail out a sinking ship by taking on more water."

More revenues are just what doctors, and the Vermont Medical Society, are suggesting, however, through a variety of tax proposals.

"We have made all sorts of promises of what sort of health care people are going to get, but we have not matched the funding with the promises," says Huebner, whose hospital already loses money on Medicaid patients.

Doctors suggest raising revenues through taxes would benefit more than Medicaid patients. If Medicaid and Medicare paid Rutland hospital's actual costs, Huebner says the cost-shifting would cease and the hospital's charges to those with commercial insurances would drop by 32 percent.

"People have to make a choice. If you want to cover people who are less fortunate ... and have really generous benefits, everyone's going to have to chip in," Minkin says. "Just slashing fees to physicians, especially primary care physicians, that's bad public policy."

But Gibbs says the cost of the program is growing so quickly that taxes would have to be increased substantially each year. "The governor is saying, 'You can't tax your way out of this problem.'"

Doctors readily acknowledge they're not going broke and do well by most standards.

"Nobody cries for the doctor. We make more money than the average Vermonter; that's the truth," says Minkin, the Berlin gastroenterologist.

But, he says, doctors will leave the state if payments aren't competitive, and that will hurt patients.

"If we lose physicians in this state, there's a lot of ripple affect to that, including limited access to care," agrees Mason.

Neale, during a break in his day, says keeping and attracting physicians is what is at stake in the Medicaid debate. If reimbursements continue to fall behind physician costs, there's a price to pay.

"It's just making it very difficult in the short-term on people who are here, and in the long-term, to make sure you have people to do this," Neale says.

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The Reformer and the Gadfly Agree on Health Care

By Dana Milbank | Washington Post | Friday, July 22, 2005; Page A02

Midway through his breakfast panel at the National Press Club yesterday, Newt Gingrich said, by way of aside, "I risk sounding not quite as right-wing as I should to fit the billing."

Now, where would he get that idea? Maybe it was because he, architect of the 1994 Republican Revolution, was sitting down with the right's bete noire, Hillary Rodham Clinton. Possibly it was because they were agreeing on health care proposals. And it almost certainly had something to do with Gingrich saying things like "Senator Clinton is exactly right" and "I think everything she just said I agree with" and "Hillary is so correct in the direction she laid out." In a town where the lion does not frequently lie with the lamb and swords are rarely used as plowshares, it was quite a sight to view the counterculture McGovernik making common cause with the leader of the vast right-wing conspiracy.

"We may be at the end of a 40-year cycle of bitterness," Gingrich said. "I've spent enough of my life fighting. It would be nice to spend some time constructing, and I think that there's a feel in the country that's very similar."

The budding friendship between Hillary and Newt -- yesterday's meeting was their second such joint appearance -- offers some political rehab for both. Clinton, pariah of the right, wants to show moderation as she prepares for a likely presidential run. Gingrich, pariah of the left, wants to show moderation to earn status as an elder statesman.

But whatever the self interest, yesterday's "Ceasefire" session, sponsored by Pfizer, coordinated by American University and moderated by former senator John Breaux (D-La.), was hopeful. If there is agreement between Clinton, who led the Democrats' doomed health care initiative in 1993, and Gingrich, who used the debacle to gain GOP control of Congress, then there may be relief yet for the 40 million uninsured Americans.

"As some of you may remember, I was a little bit involved in health care about 12 years ago," Clinton said, provoking chuckles from the former House speaker. "I still have the scars to prove it." Years later, Hillary now acknowledges the private sector's preeminence in health care reform; Newt endorses some federal mandates. Both praise preventive care and better patient management.

Their partnership is ostensibly about health care, but both gave hints of something deeper. She mentioned businesses that "Newt and I have talked with." He let slip that national security is "something Senator Clinton and I also work on." Breaux called their discussion "civil," but the pair couldn't have been more cuddly if they had been sharing an ice cream soda.

Clinton sent the first valentine. She said appearing with Gingrich was "a great thing to do" despite the critical calls she got. "Underneath Newt's great political skills is a policy wonk," Clinton gushed, alternating between respectful references to "the speaker" and familiar references to "Newt and I."

Gingrich returned the affection, calling his old foe "Hillary." He said that "to a greater extent than we would have guessed," the former speaker and the former first lady have discovered that "we have the same instinct."

Clinton, asked about electronic medical records, deferred, again, to her friend. "Newt has a very dramatic way of saying this," she said, "which is 'Paper kills.'" Gingrich sent the praise right back at her, hailing Clinton's legislation on medical records as a "major breakthrough" in Congress. "This is absolutely the case that Hillary is making," he said.

There were limits to the togetherness. When Clinton argued that "the great mushy middle of both parties" can agree on health care policy, Gingrich replied: "I'm not quite sure I'm ready to join the mushy middle."

Still, the two got along so famously that Breaux soon found himself irrelevant. Gingrich brushed off a Breaux question so he could return to Clinton's point. "I just want to build on this," he said. Clinton blew past a Breaux question with an "Excuse me, John" so she could echo Gingrich.

"Go right ahead," said the defeated moderator.

Gingrich, out of elected office, was free to depart from his anti-government roots. With Clinton nodding in support, he came out in favor of mandatory daily physical education, healthful food in schools and a "transfer of finances" from rich to poor. Some of this," Gingrich said after a long list of concessions to the left, "may surprise you."

Clinton had surprises, too. She nodded in support of Gingrich's proposal to "voucherize Medicaid" and agreed with his statement that "welfare reform has really worked." She granted that "there is enough money in the system right now to cover the uninsured" and she said that piecemeal reform was the best route.

"Part of what I think Newt and I are doing, and it's a little bit of a shock, or a Rorschach if you will, we are trying to get people to really think differently, because we have come to some of the same conclusions on independent paths," the senator said.

To nobody's surprise, the former speaker concurred. "I think Senator Clinton is exactly right," he said.