

# Private Groups Roll Out Health Care Reform Plans

*One, the 'Building Blocks' program, would expand Medicaid and SCHIP to cover all eligible families.*

BY MARY ELLEN SCHNEIDER  
New York Bureau

The presidential candidates aren't the only ones with proposals to reform the American health care system.

Although the designs are different, more and more players in the health care arena are unveiling their own detailed plans to provide health care coverage for all or most Americans.

For instance, the Commonwealth Fund recently outlined a proposal called "Building Blocks" that seeks to cover 44 million of the 48 million Americans estimated to be uninsured in 2008. At the center of the proposal is a national health insurance connector that would allow small businesses and individuals without large-employer insurance to shop for a health plan.

The connector would feature both private plans and a "Medicare Extra" option.

The Medicare Extra plan would offer premiums of \$259 a month for individuals and \$702 a month for families, 30% lower than the average premium charged to employers today, according to the Commonwealth Fund, a private foundation that supports research on health policy reform.

The plan also calls for expanding Medicaid and the State Children's Health Insurance Plan (SCHIP) to cover all adults and children below 150% of the federal poverty level. Moreover, the plan would include both individual and employer mandates for health coverage.

Using modeling from the Lewin Group, officials at the Commonwealth Fund estimate that the proposal would add \$15 billion to current total health spending in the United States during the first year and about \$218 billion over 10 years. But the plan could actually save \$1.6 trillion over 10 years if it is combined

with other reforms such as changing Medicare payments to hospitals and physicians, investing in better health information technology, allowing Medicare to negotiate drug prices, and improving public health, according to the Commonwealth Fund.

"This approach builds on group insurance coverage and the national reach of Medicare and at the same time addresses the high administrative and premium costs for individuals and small groups," Karen Davis, Commonwealth Fund president, said in a statement.

In the meantime, the Healthcare Leadership Council, a coalition of hospitals, health plans, and pharmaceutical and device manufacturers that aims to improve the quality and affordability of health care, has brought forward its own market-based proposal aimed at covering all Americans.

Called "Closing the Gap," the proposal calls for subsidies and tax breaks to help individuals afford coverage, improving health care quality through health information technology and care coordina-

tion, and realigning the financial incentives in the health care system to pay for value.

For example, the plan calls on the government to provide premium subsidies to help employees afford their employer-sponsored insurance premiums. The plan also calls for applying the same tax breaks to individually purchased health insurance as apply to employer-sponsored coverage. However, the group did not endorse the idea of individual mandates for health insurance.

The plan also calls for moving away from a payment system that rewards physicians and hospitals for the volume of services they provide and instead paying for evidence-based care and prevention. The current model rewards inefficiency and pays better when patients are sicker, Dr. Denis Cortese, chair of the Healthcare Leadership Council and president and chief executive officer of the Mayo Clinic, said during a press briefing to release the plan.

"We really are suggesting we turn that upside down," he said. ■

## Minimize Employee Lawsuits by Hiring Right and Being Fair

BY DAMIAN McNAMARA  
Miami Bureau

MIAMI — Minimizing exposure to employee lawsuits—including sexual harassment and discrimination claims—begins with hiring the right employee for your office, a labor and employment attorney told a gathering of pediatricians.

Also, fairness and consistency are important. Always provide one office assistant the same raises, benefits, and time off as another. "Doctors' offices are small, and there are no secrets," said Chad K. Lang, who practices labor law in Miami.

"I am here to help you deal with a commodity you deal with every day—your employees," Mr. Lang said at a pediatric update conference sponsored by Miami Children's Hospital.

"They can be your greatest asset or your greatest nightmare."

Laws concerning labor and employment are about much more than worker's compensation. The only law that may not apply to a small practitioner is the Family and Medical Leave Act, which only applies to staff with a minimum of 50 employees. Although federal law generally applies to firms or practices with 15 or more employees, discrimination law applies to those with only 5 employees.

Prevention is the best strategy. Mr. Lang recommends that you look under a microscope at every employment decision you make. He estimated that about 90% of all employee disputes are caused by 10% of employees.

Avoid general employment application forms; customize one with questions relevant to work in a medical practice, he said. Also, train interviewers to spot facial expressions that indicate lying or shading of the truth. "What if you find out 6 months later someone you hired was

jailed for embezzlement? You need to know enough about employment law so you can recognize a red flag and know [when] to call someone to help."

Fairness, documentation, and consistency—"those three words can win a lawsuit," Mr. Lang continued.

There cannot be discrimination if a physician treats all employees the same. "But if you give one person a \$10,000 raise and the other a \$5,000 raise ... everyone will know about it. When that person leaves, whether [they leave] voluntarily or not, they sue," Mr. Lang said.

"And most attorneys work on a contingency fee, so there is no cost to the employee."

Wage-hour audits are another fairness issue. "You need to have someone figure out if you are treating your employees correctly. Are they truly exempt from overtime?" Mr. Lang said. "Let's say you pay someone \$60,000 per year. Are they entitled to overtime? It depends on their job description."

Wage-hour audits are the No. 1 legal issue that companies face in the United States, Mr. Lang said. Beginning in 2001, the number of wage-hour class action lawsuits surpassed the number of class actions for race, sex, national origin, color, religion, and age in federal courts—combined.

Mr. Lang also addressed the perils of dating in the workplace. "I have three sexual harassment cases now based solely on a supervisor dating a subordinate," he said. "What do you think a subordinate employee will do if they are fired? They will sue, and most likely they will win."

Some employers have policies that address dating in the workplace. "What has recently become a trend that I cannot believe is a 'love contract,'" Mr. Lang said. Some companies allow workers to date

but they have to inform the employer when a relationship develops. Also, they are required to sign a contract stating that they are not being coerced, he noted.

Once a year, hire an expert to train your office managers about harassment and discrimination, Mr. Lang suggested. "Why? It's an insurance policy," he said.

An employee handbook with a specific process for making sexual harassment complaints is recommended. Complaints should be made to at least two people—one of each gender—listed in the handbook by job title instead of name. This will ensure that an employee has someone to talk with besides the person doing the alleged harassment.

A meeting attendee asked Mr. Lang about his fees. "I charge about \$2,000-\$2,500 to develop a new handbook or revise one. A 3-hour training once a year

costs about \$1,000," Mr. Lang said. His rates as a law firm partner range from \$250/hour to \$350/hour. He also has trained associates who charge less per hour for consultation.

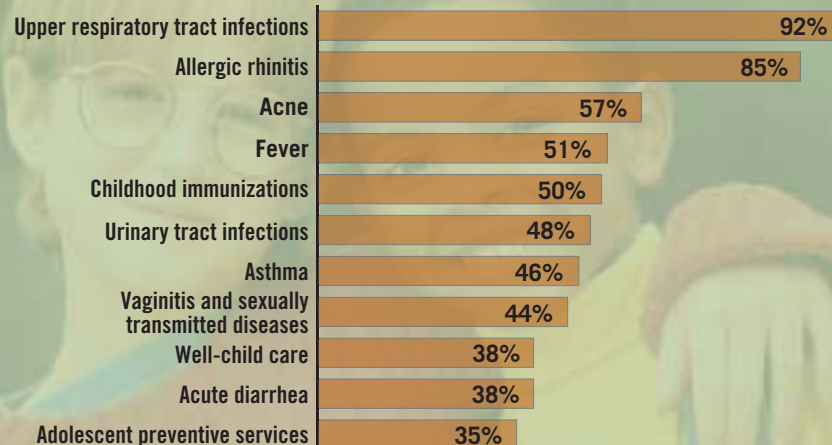
Another element of legal protection is, not surprisingly, "documentation, documentation, documentation," Mr. Lang said. "But do not write down anything you do not want someone to read. This sounds like something your grandmother would tell you."

Never assume your e-mail, text message, or instant message (IM) is not going to be exhibit No. 1 in a lawsuit, Mr. Lang said. "Good employment lawyers have great experts that will get e-mails and IMs. Do not assume they are gone after you delete them."

Mr. Lang's last piece of advice was "know a good employment lawyer." ■

### DATA WATCH

#### Children Receiving Quality Health Care by Clinical Area



Note: Based on medical records from October 1996 to August 2000 for 1,553 children aged < 18 years.  
Source: N. Engl. J. Med. 2007;357:1515-23