Debate Continues Over Use of Stimulus Funds

BY JOYCE FRIEDEN

WASHINGTON — The health care provisions in the federal economic stimulus package continue to spark disagreement between Republicans and Democrats, as seen at a diabetes meeting sponsored by Avalere Health.

Wendell Primus, senior policy adviser to House Speaker Nancy Pelosi (D-Calif.), noted three provisions of interest in the Recovery Act (formally called the American Recovery and Reinvestment Act of 2009): $87 billion in Medicaid funding to states; a 65% subsidy to laid-off workers who are still receiving health coverage from their former employers through COBRA; and $19 billion to be invested in health information technology (HIT).

Under the HIT component of the law, the government must develop certain technology standards, Mr. Primus said.

One important standard is interoperability. "We have an example [of noninteroperability] right here in town," Mr. Primus noted. "The George Washington [University] Hospital just recently bought an HIT system for its emergency department and one for its inpatient department, and unfortunately those two systems don't talk to one other."

Functionality is another critical standard. "If I have a doctor-patient relationship, I may know what I think your situation is, but I may not know the four doctors that have seen you since your last visit to me," Mr. Primus said. "I want [the medical record] to quickly be able to tell the doctor that's currently visiting that patient what has happened, and what the other four doctors have prescribed. We also want the system to be able to do reminders." The government also must develop standards for data security and for privacy.

The Recovery Act includes incentives of $40,000-$60,0000 for providers to use toward the purchase of an HIT system. Over time, "those incentives turn into penalties" in the form of reduced reimbursement from government health care programs if physicians do not adopt an HIT system, he said. "We're using the sticks of Medicare and Medicaid to make sure we get all doctors' offices wired within 8-10 years."

From the Republican perspective, Dan Elling, minority staff director on the House Ways and Means subcommittee on health, said some of the HIT provisions were problematic.

"Having hospitals and doctors be able to talk to one another and coordinate care … is going to improve our health care system," he said. However, "the incentive payments don't start until 2011. If this is part of the stimulus bill and we're not spending the money for another 3 years, what are we doing?"

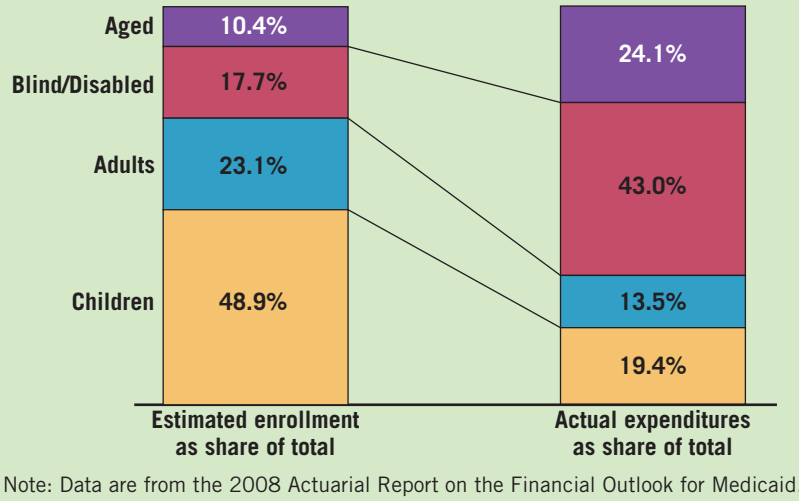
In addition, "each physician would be able to qualify for up to $64,000 in incentive payments, independent of the actual cost of the system," said Mr. Elling, whose boss is Rep. Dave Camp (R-Mich.). "So if you're part of a 20-doctor practice that's able to use economies of scale … and purchase an HIT system that costs $20,000 per physician, that doctor is able to pocket the extra $44,000. That's taxpayer money. We'd [prefer] language that says, 'You only get what you pay [out]' " in terms of reimbursement by the government.

Another big chunk of the Recovery Act funds is the $1.1 billion for comparative effectiveness research. CER is designed to let physicians know which treatments are the most clinically effective and the most cost effective, according to Mr. Primus. He said that CER is not "cookbook medicine," but is aimed at producing "better public knowledge."

Mr. Elling agreed that "done effectively, there's a lot of promise in CER. Getting more information to patients and physicians is outstanding and we should be doing that." But he added that it increases government control of health care, especially since the consumer effectiveness board that's called for in the bill comprises only government employees, with no practicing clinicians or patient advocates as members. ■

DATA WATCH

Health Status Differences Affect Medicaid Expenditures



Note: Data are from the 2008 Actuarial Report on the Financial Outlook for Medicaid.
Source: Centers for Medicare and Medicaid Services

ELSEVIER GLOBAL MEDICAL NEWS

POLICY & PRACTICE

Administration Posts Filling Up

The Obama administration has named officials to several top health care–related positions that do not require Senate confirmation, including the administrator of the Health Resources and Services Administration and the new National Coordinator for Health Information Technology. Rural health expert Mary Wakefield, Ph.D., R.N., was selected to head the HRSA, joining the agency from the University of North Dakota. Internist David Blumenthal, former director of the Institute for Health Policy at Massachusetts General Hospital, will take the lead on creating a nationwide HIT infrastructure. And three new members will join the U.S. Preventive Services Task Force: Susan Curry, Ph.D., of Iowa City, an expert on tobacco use; Dr. Joy Melnikow of Sacramento, Calif., a family physician; and Dr. Wanda Nicholson of Baltimore, a board-certified obstetrician-gynecologist and a perinatal epidemiologist.

Virtual Colonoscopy Supported

More than 40 members of Congress have signed a letter urging the Centers for Medicare and Medicaid Services to cover computed tomography colonography (CTC), or virtual colonoscopy. The letter responded to a proposed decision by the CMS not to cover the noninvasive procedure because of what the agency considers to be insufficient evidence that it improves the health of Medicare patients. "Medicare coverage of CTC could prevent unnecessary deaths," the lawmakers said in the letter. "Many Americans forgo the colorectal screening process … so an alternative such as CTC should be covered by Medicare." The lawmakers noted that Walter Reed Army Medical Center has called its CTC program a success and is working with the Department of Veterans Affairs to deploy CTC screening throughout the VA Health System.

Americans Struggle on Costs

About one in five Americans reported having difficulty paying for necessary health care in December 2008, 3 percentage points higher than in January 2008, according to a Gallup poll commissioned by the disease-management company Healthways. More than half of the uninsured struggled to pay their medical bills, as did 30% of all Hispanic and black Americans. The percentage of people receiving employer-based insurance is only 58%, the poll found. The score on the poll's overall "well-being" index, which combines physical and emotional health, healthy behavior, work environment, and access to care, fell significantly over the past year.

NQF Adds Safe Practices

The National Quality Forum has recommended seven new practices that it said have been proved effective in reducing adverse events. The practices include efforts to prevent falls, eradicate multidrug-resistant organisms, and improve glycemic control in diabetic patients. The membership group also recommended improvements in care for clinical providers, staff, and administrators who are harmed in the course of their work, interventions to prevent catheter-associated urinary tract infections, appropriate hospital policies on organ donation, and safe practices for children receiving CT scans. These seven new recommendations were included among the 34 safe practices that are being promoted in the National Quality Forum's 2009 Safe Practices for Better Healthcare report and yearlong Webinar series. Forum members include the American College of Physicians and the American Academy of Family Physicians.

Loneliness, Poor Health Linked

Not having many close friends may contribute to poorer health for many older adults, and feeling lonely is associated with increased health risks, according to a study from the University of Chicago. Researchers measured the degree to which older adults were socially connected and active. They also assessed whether the elders felt lonely and expected friends and family to help them in times of need. The study found that the most socially connected older adults were three times as likely to report being in very good or excellent health, compared with those who were least connected, regardless of whether they felt isolated. But older adults who felt least isolated were five times as likely to report being in very good or excellent health, compared with those who felt most isolated, regardless of their actual level of social connectedness. The study was published in the Journal of Health and Social Behavior.

Upcoding Alleged in MA Plans

The problem of overpayments to Medicare Advantage plans will not be solved until Congress addresses the plans' upcoding practices, according to a new report from the Center on Budget and Policy Priorities, a progressive think tank. "Upcoding helps private plans financially by inflating the payments that Medicare makes to them," according to the report. An analysis of 2007 data from the CMS showed that the severity of the diagnosis codes is rising faster among beneficiaries in Medicare Advantage plans than among those in traditional Medicare. Until that problem is addressed, "private plans will continue to receive overpayments … because the private plan beneficiaries' actual health status will be better than their reported health status," the authors wrote.

—Jane M. Anderson