States Pursue Insurance Mandates, Transparency

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WASHINGTON — State legislation mandating health insurance will continue, with "at least 12 more states going to debate bills to expand employer participation coverage" in 2007, according to Susan Laudicina, director of state services research for the Blue Cross and Blue Shield Association.

The health care transparency debate also is heating up with a few states, such as Colorado and Ohio, passing laws requiring provider-specific data on quality and requiring that costs be made available publicly.

At least 10 or more additional states will be debating similar bills to promote transparency in 2007, she said.

Ms. Laudicina made her predictions when the Blue Cross and Blue Shield Association's annual "State Legislative Health Care and Insurance Issues" report was unveiled at a briefing sponsored by the association.

Despite healthy revenue growth in 2006, states are still grappling to stem rising health care expenses, which now account for about one-third of all state budgets.

The report updates the top health care and insurance issues from state legislatures around the country.

The overview given by Ms. Laudicina detailed how, despite healthy revenue growth in 2006, state governments are still grappling to stem constantly rising health care expenses.

"Health care expenditures now account for about one-third of all state budgets, and states are in desperate need of solutions," she said.

The report found that in 2006 states began implementing a range of initiatives including employer and individual mandates to cover the uninsured, public-private insurance partnerships to promote coverage and contain costs, and initiatives to improve quality care.

The Blue Cross and Blue Shield Association (BCBSA) reported that there was a flurry of new laws introduced around the country last year and the beginning of 2007—all aimed at providing affordable, quality coverage.

"I read about 200 new legislations per week," said Ms. Laudicina. "That's how fast new legislation is coming in."

According to the report, employer and individual mandate legislations were pursued by three states in 2006: Massachusetts, Vermont, and Maryland. And although 25 other states followed suit with introductions of similar bills last year, none of those were enacted.

During 2006, 11 states—including Kentucky, Utah, Oklahoma, and Washington—also worked to create or expand programs to make private insurance coverage affordable for low-income workers.

Seven of these states decided to use public funds to build subsidies to offset the premium costs of private employer-sponsored health plans for those eligible for Medicaid as well as for other low-income residents.

The Blue Cross and Blue Shield Association "State Legislative Health Care and Insurance Issues" report is compiled from a survey of each of the 39 independent Blue Cross and Blue Shield companies across the country.

Together, these companies provide health coverage for almost 98 million Americans.

Blue Cross and Blue Shield Association officials were also on hand to provide an overview of what the association believes to be the top three health-care issues facing the 110th Congress.

"We have three priorities and the top of the list is addressing the uninsured," said Alissa Fox, the BCBSA's vice president of legislative and regulatory policy.

Ms. Fox reported that the association is urging Congress to fully support the State Children's Health Insurance Program (SCHIP) to lower the number of uninsured children, adding that Congress' "priority has to be to enroll these children."

According to the Blue Cross and Blue Shield Association, a surprising 74% of children without health coverage are in fact eligible under public programs, but are not presently enrolled.

Adequate funding is necessary to streamline enrollment procedures for these children and ensure that they get health care.

In his budget submitted to Congress on Feb. 5, President Bush called for an increase in State Children's Health Insurance Program funding of $5 billion over the next 5 years.

This sum, though large, still falls short of the $12 billion experts say is needed to fund the program.

Another priority for the Blue Cross and Blue Shield Association is maintaining funding for the Medicare Advantage (MA) program that provides coverage to more than 8.3 million people.

Ms. Fox explained how further budget cuts will disproportionately hurt low-income and minority Americans who rely on the program for health care.

"There's some talk in Congress about eliminating [Medicare Advantage], and we are very concerned," Ms. Fox said.

"The [Medicare Advantage] program has suffered from $13 billion in funding cuts in the past 2 years, and further cuts would put access to affordable, comprehensive coverage in jeopardy."

The Blue Cross and Blue Shield Association's third priority is the vision of the Bush Administration and Congress to create a nationwide health information network that will allow for the use of electronic health records in every hospital and doctor's office.

Ms. Fox said the association is "very supportive of the bipartisan mission." ■

POLICY & PRACTICE

FDA's $2 Billion Budget

The Bush administration is requesting $2.1 billion for the Food and Drug Administration in fiscal 2008, a 5% increase from the 2007 request. The agency still has not received its final appropriation for fiscal 2007, so the exact amount it will receive for that year is not known yet. The budget includes $444 million in user fees from industry, including a new program to charge generic drug makers fees to review their products. The agency estimates that generic companies will contribute $16 million in fiscal 2008. In a statement, Generic Pharmaceutical Association CEO Kathleen Jaeger said the decision to seek user fees "will not bring generic medicines to consumers faster as long as brand companies are still permitted to use tactics that delay market entry." The budget also includes $11 million for improving drug safety (this does not include user fee funds that will also go to that effort) and $7 million to boost medical device safety and to speed up device review. The agency also is requesting $13 million to move about 1,300 employees of the Center for Devices and Radiological Health to offices at the FDA's new White Oak, Md., campus. The FDA has been gradually moving its operations to the new facilities. The Washington-based consumer-, patient-, and industry-supported Coalition for a Stronger FDA said the budget did not go far enough. It is seeking at least $175 million more, including greater increases for food, drug, and medical device safety.

Medicare Generic Drug Use Rises

Generic drugs accounted for 60% of prescriptions dispensed to either Part D or Medicare Advantage plan beneficiaries for the first three quarters of 2006, the Centers for Medicare and Medicaid Services announced. Generic drug use in Part D enrollees is 13% higher than for Americans who receive benefits through private payers, said CMS. In comparison, generics accounted for 53% of prescriptions dispensed to privately insured Americans last year. Greater use of generics will translate into lower costs for the Part D program and possibly expanded coverage for beneficiaries, said CMS. "We will continue to promote generics where they are available as an important strategy to keep the new drug benefit affordable over the long term," said acting administrator Leslie Norwalk in a statement.

Family Practice Priorities in 2007

In the coming legislative year, family physicians want to increase health care coverage, raise payments, safeguard or expand their scope of practice, and promote public health initiatives, according to a survey of chapters of the American Academy of Family Physicians. AAFP said that 95% of the chapters had responded as of mid-January. Diana Ewert, AAFP senior manager for government relations, said in a statement that AAFP chapters are increasingly taking on advocacy at the local level. The chapters said they want to expand Medicaid or the State Children's Health Insurance Program to broaden access to care. They also were concerned about prescriptive authority for nonphysicians and addressing public health issues like tobacco control, vaccine distribution, obesity, and preparation for pandemic influenza. Finally, physicians said they had new concerns about the growth of retail health clinics

Disclosing Financial Conflicts

Experts from Johns Hopkins University, Duke University, and Wake Forest University have designed model language aimed at helping researchers disclose their financial conflicts to research participants in a meaningful way. The model language was published in the January/February issue of IRB: Ethics and Human Research. Included is a standard disclosure for situations in which there is a financial interest that does not represent a measurable risk to patients. The model also includes language to describe salary support, money received outside of a study, per capita payments, and unrestricted finders' fees, among other common conflicts. "This is language that can help these institutions craft better written materials. It can also serve as a model for how to accurately phrase disclosure in discussions with potential research subjects," Dr. Jeremy Sugarman, the lead author and professor at Johns Hopkins University, Baltimore, said in a statement. "It could also be expanded and presented in other formats, such as standalone pamphlets or videos about clinical research."

Health IT Privacy Milestones

Federal health officials must develop an overall strategy for protecting patient privacy as health information technologies take off, according to a report from the Government Accountability Office. Although the Health and Human Services department considers consumer privacy a top priority and has made some initial progress in that area, a more comprehensive approach is needed, the GAO report concluded. Specifically, HHS officials need to set milestones for integrating privacy-related initiatives and select an entity responsible for implementing these initiatives. However, in comments on the report, HHS officials said setting specific milestones would hamper their ability to incorporate stakeholder ideas as they move forward. Since 2005, HHS has awarded several contracts aimed at addressing the privacy of personal health information exchanged within an electronic national health information network. In 2006, an HHS contractor selected sites to perform assessments of privacy and security policies. Also in 2006, the National Committee on Vital and Health Statistics and the American Health Information Community worked on privacy and security issues related to a nationwide health information network.

—Mary Ellen Schneider

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