SCHIP Enrollment Data Said to Be Misleading

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The federal government's portrayal of enrollment growth in the State Children's Health Insurance Program in 2007 is disingenuous and somewhat misleading, advocates for children's programs said.

According to the Centers for Medicare and Medicaid Services, 7.1 million children were enrolled in the program (SCHIP) in 2007, up from 6.7 million in 2006.

"While we are pleased that SCHIP continues to grow, we must do more to reach those at the lowest income levels who still need this coverage," Mike Leavitt, Health and Human Services secretary, said in a statement.

"Toward that end, we will continue to work with Congress on the reauthorization of this vital program," he added.

That comment is "disingenuous," Dr. Steve Wegner, chairman of the child health funding committee at the American Academy of Pediatrics, said in an interview.

He noted that President Bush vetoed a compromise agreement to reauthorize SCHIP not once, but twice, in 2007.

"The administration did everything possible to stand in the way of the reauthorization," Jenny Sullivan, a health policy analyst with Families USA, said in an interview.

SCHIP was finally given a reprieve, with Congress passing, and the president signing, a funding extension through March 2009.

But the program still has not been formally reauthorized.

And, said Ms. Sullivan and Dr. Wegner, many millions more children would have been covered in 2007 if the reauthorization had been approved when it was first taken up early in the year.

Centers for Medicare and Medicaid Services (CMS) spokeswoman Mary Kahn said that it was not accurate to imply that the Bush administration did not want to continue the SCHIP program. The administration did, however, want to fund SCHIP at a lower level, she said in an interview.

Also in the HHS statement, Kerry Weems, CMS acting administrator, said, "We continue to work with states to [ensure] that as many eligible, uninsured children as possible are enrolled in SCHIP and Medicaid."

Dr. Wegner took exception to that statement as well, noting that a CMS directive issued in August 2007 has effectively prevented states from expanding eligibility. CMS said it would limit states' ability to expand coverage to children in families that had incomes at 250% of the poverty level or above.

Ms. Sullivan said that the directive had, in many cases, reversed expansion plans previously approved by CMS.

Twenty-three states are expected to be affected by the directive, according to the Kaiser Family Foundation. Nine states already cover children in families with incomes above 250%, and 13 states had received approval to expand eligibility at or above that level.

In addition, Washington was covering children at the 250% level and had gotten approval to raise that cap.

The directive is consistent with the administration's belief that every effort should be made to enroll 95% of children eligible at the lowest income levels before expanding it to those who are in higher-income families, Ms. Kahn said.

The increase in SCHIP enrollment was not unusually high for the program, Ms. Sullivan said.

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MR. LEAVITT

And, she said, U.S. Census Bureau figures indicate that the overall number of uninsured children actually increased in the last 2 years.

There are approximately 9 million uninsured children in the United States, according to a Families USA analysis.

Both Ms. Sullivan and Dr. Wegner said they expect that number to grow in the current year, as states face harsh budget realities.

A much larger number of children are covered under traditional Medicaid programs—about 28 million in 2005, according to Kaiser—but their coverage is also being threatened because of a series of CMS regulations taking effect this year.

Rep. John Dingell (D-Mich.) and Rep. Tim Murphy (R-Penn.) introduced a bill in March (H.R. 5613) that would place a 1-year moratorium on seven of those regulations. According to estimates they cite from the Congressional Budget Office, the regulations could translate to $20 billion in cuts to Medicaid over the next 5 years.

The National Governors Association, the National Association of State Medicaid Directors, and the American Public Human Services Association have all expressed their opposition to the regulations in letters to HHS.

The picture grows even dimmer when next year considered.

For fiscal 2009, President Bush proposed increasing SCHIP funding by $19.7 billion (added to the current baseline of $25 billion) through 2013. That is a far cry from the $35 billion that was authorized in the two legislative packages vetoed by the President last year.

The budget also seeks to formalize the CMS directive that limited states' expansion plans by proposing to cap SCHIP eligibility at 250% of the poverty level. ■

POLICY & PRACTICE

Half of Health Spending Wasted

Wasteful spending in the U.S. health system could amount to as much as $1.2 trillion of the $2.2 trillion spent annually, according to a report from the PricewaterhouseCoopers' Health Research Institute. Defensive medicine was identified as the biggest area of excess, followed by inefficient administration and the cost of care necessitated by preventable conditions, such as obesity, according to the report. The impact of issues such as nonadherence to medical advice and prescriptions, alcohol abuse, smoking, and obesity "are exponential," the report said.

N.Y. Needs More Doctors

The job market for new physicians in New York is characterized by strong demand, according to a recent study from the Center for Health Workforce Studies at the University of Albany School of Public Health. Unlike previous years, the need for primary care physicians was comparable with the demand for specialists, with new primary care doctors reporting an increasing number of job offers and increasing median starting income. Demand for new physicians was strongest in specialties, including dermatology, pulmonology, gastroenterology, and cardiology, whereas demand was weakest for physicians in ophthalmology, general pediatrics, pathology, and physical medicine and rehabilitation. In addition, the median starting income for new physicians grew by 13% from 2005 to 2007. Median starting income was $142,100 for primary care physicians.

Self-Referrals Drive Imaging Hike

Physicians who refer patients to their own facilities or machines for scans account for much of the increase in diagnostic imaging ordered for privately insured patients, according to a commentary in the journal Medical Care. The increases in imaging were seen mainly in privately insured patients with fee-for-service plans, according to Dr. Vivian Ho, professor of medicine at Baylor College of Medicine, Houston. "Physicians seem to choose the self-referral option, meaning they do the imaging in their own office, because they are reimbursed by private insurance companies," Dr. Ho wrote. If they don't have the equipment in their office, she said, they lease an imaging center's facilities and employees for a fixed period each week. This creates revenue for both parties involved, but raises questions about the necessity of the testing conducted, Dr. Ho wrote, adding, "The current reimbursement system lacks incentives to provide high-quality imaging in a cost-effective manner."

Disciplinary Actions Decline

The number and rate of serious disciplinary actions against physicians have decreased for the third consecutive year, according to Public Citizen's annual ranking of state medical boards. The advocacy group said the analysis indicates that many states are not living up to their obligations to protect patients from bad doctors. Since 2004, the number of serious disciplinary actions against doctors has decreased 17%, resulting in 553 fewer serious actions in 2007 than in 2004. Taking into account the increasing number of U.S. physicians since 2004, the rate of serious actions has fallen 22% since then, when calculated per 1,000 physicians, according to Public Citizen. The annual rankings are based on data from the Federation of State Medical Boards.

Direct-to-Consumer Genetic Testing

Patients should be fully informed about how to interpret direct-to-consumer genetic tests, which provide only the probability of developing a disease, according to a new policy statement from the American College of Medical Genetics. The organization outlined minimum requirements for the use of any genetic testing protocol, including that patients be informed about the scientific evidence on which the test is based, that a knowledgeable professional should be involved in ordering and interpreting the test, that the clinical testing laboratory is properly accredited, and that privacy concerns are addressed. "Consumers need to be cautious and always involve their health care provider, and in some cases a medical geneticist or genetic counselor, in their decisions about genetic testing," Michael S. Watson, Ph.D., executive director of the American College of Medical Genetics, said in a statement. The full policy statement is available online at www.acmg.net.

'Tectonic Shifts' Seen in Data

As large corporations, such as Google and Microsoft, move into the business of creating platforms for personal electronic health records, the shift in the health information landscape will profoundly affect biomedical research and raise new privacy issues, two physicians wrote in the New England Journal of Medicine. The electronic health record raises a series of questions, the authors wrote. For example, will those who provide and host electronic health records—which may be huge, non–health-related corporations—take on a research mission? And, if so, who will have access to the data, for what purposes, and under what sort of regulation? In addition, will academic researchers have full access to the data? The authors also pointed out that the companies providing personally controlled health records are not covered entities under the Health Insurance Portability and Accountability Act. Legislation has been introduced in Congress to dictate the structure, governance, and financing of personal electronic health records, but no law has been approved.

—Jane Anderson