

Edwards Outlines Plans for Tort, Universal Health Care

BY JOYCE FRIEDEN
Senior Editor

WASHINGTON — According to Democratic presidential candidate and malpractice attorney John Edwards, the best way to solve the malpractice insurance crisis is to put the onus on ... the malpractice attorneys.

The former senator from North Carolina spoke at the first of a series of health policy forums with presidential candidates sponsored by Families USA and the Federation of American Hospitals.

"The problem is created when cases are filed in the legal system that should never be there. [I would] put more responsibility on the lawyers," he said.

In his ideal world, before a medical malpractice case could be filed, the plaintiff's lawyer would have to conduct a complete investigation, to "determine that the case is, first, meritorious, and second, serious. Then you require the lawyer to certify that has been done as part of the filing. ... If they fail to certify, the lawyer should bear the cost. If they do it three times, it's three strikes and you're out; you lose your right as a lawyer to file these cases."

The bigger topic at the forum, though, was covering the uninsured. In February, Sen. Edwards unveiled a universal coverage plan, which calls for expanding both the State Children's Health Insurance Program and Medicaid, and for keeping Medicare in place. Employers would be required either to provide coverage to employees or to contribute to a system of regional Health Care Markets—nonprofit purchasing pools offering a choice of insurance plans. At least one of the plans would be a public plan based on the Medicare program.

After the markets were set up and other provisions put in place—including tax credits and limits on premiums for low- and moderate-income families—a mandate requiring all citizens to obtain health insurance would go into effect. The penalty for those who don't sign up would likely be "losing your individual tax exemption or some [other] tax consequence," Sen. Ed-

wards said at a press conference later. "Anybody who comes into contact with the health care system or any public agency will be signed up. If you go into the emergency room and are not part of the system, to get care you will be signed up."

He said Medicare beneficiaries should have a "medical home" with a single provider coordinating chronic care "so we don't have overlapping care or unnecessary care."

He favors three steps to lower prescription drug costs in the Medicare program: using the bargaining power of government to negotiate prices, allowing prescription drugs to be "safely imported," and "[doing] what we can constitutionally to control drug company ads on television."

This universal coverage plan "was not intended to take us from where we are today directly to [a single-payer system]," Sen. Edwards said at the forum. "It was intended to allow Americans to decide whether they want government-run health care, or whether they want to continue the private system they have today."

There are "real benefits to single-payer [systems]. The administrative cost associated with [government-run systems like] Medicare is 3%-4%, compared with 30%-40% profit and overhead in private insurance companies," he said, noting that some say that with single-payer systems such as those in Canada and the United Kingdom, people sometimes have to wait too long.

"We're going to let Americans make that decision" by choosing which type of plan they prefer, he said. "Over time, we will see in which direction this system gravitates. It will be an extraordinary American model for what works and what doesn't work."

Sen. Edwards said the cost of his plan was estimated at between \$90 billion to \$120 billion, and that he would pay for it by rolling back tax cuts for Americans making more than \$200,000 per year.

A reporter asked Sen. Edwards about the differences between his plan and that of Sen. Hillary Rodham Clinton (D-N.Y.), another Democratic presidential candidate, which was released in September and contains many provisions similar to Sen. Edwards' plan.

"[She] appears to believe you can take money from health insurance and drug company lobbyists [by negotiating] a compromise. I absolutely reject that. You get it done by convincing the American people about the rightness of what you want to do."

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SEN. EDWARDS

POLICY & PRACTICE

Medicare Cuts May Cause Layoffs

The impending 9.9% cut in the Medicare physician fee schedule likely will result in staff and infrastructure cutbacks by medical group practices, according to a poll taken by the Medical Group Management Association. Of 613 group practice leaders who responded, more than 41% said they expected that their practices would limit the number of Medicare patients treated, and 19% said they would refuse to accept any new Medicare patients. In addition, almost 45% said they would reduce the number of administrative staff employed by their practice, and 33% said they would reduce the number of clinical staff. Respondents said compensation for both staff and physicians likely would also suffer, with 22% eyeing reduced staff salaries and 57% reducing staff benefits; 59% reported they would likely lower physician pay. Reducing funds for information technology and facilities was favored by 53% and 59% of respondents, respectively. "Unfortunately, it's the patients and employees who staff these facilities that bear the burden of the financial belt-tightening in group practice," Dr. William Jessee, president and CEO of MGMA, said in a statement.

Partisan Views on Health Reform

While 82% of Democrats agreed that "it is the government's duty to ensure that all Americans have adequate health care coverage," only 47% of Republicans agreed with that statement, according to a WSJ.com/Harris Interactive online survey of 2,185 adults. And 59% of Republicans think the health care system could be improved by giving tax breaks to those who buy private health insurance, vs. 41% of Democrats, according to the September survey. More Democrats (37%) than Republicans (21%) think the most important issue is providing coverage for the uninsured, and more Republicans (33%) than Democrats (23%) put slowing costs at the top of their list. The survey also showed that more Americans believe the Democratic party can do a good job of reforming the health care system, but that trust is eroding, down to 39% in September 2007 from 50% in February 2007. In the current survey, only 26% trusted the Republican party to reform health care, down from 28% in February. Most Democrats (70%) think that of the current front-running presidential candidates, Sen. Hillary Clinton (D-N.Y.) is the most likely to be able to improve the health care system; Republicans (48%) think that former New York City mayor Rudolph Guiliani can do the job.

Social Programs Eat Federal Funds

Social Security, Medicare, and Medicaid combined take up almost half of the federal government's nondefense, nonintelligence spending in 2005, according to the latest edition of the Census Bureau's Consolidated Federal Funds Report, which details government spending at the state and county level. Of the

\$2.3 trillion spent that year on direct expenditures, grants, contracts, loans, disability, insurance, and salaries and wages, almost \$1.1 trillion went to the entitlement programs, with Social Security spending around \$568 billion, Medicare around \$336 billion, and Medicaid around \$192 billion. Total spending was 6% higher than in 2004. Per capita federal spending was highest in Alaska, Virginia, and Maryland. The report can be accessed at www.census.gov.

Put Health Records in the Vault

Microsoft has launched HealthVault, a Web site where consumers can post and maintain their personal health records. Individuals can input their health and medical data on the free site and give permission for their health care providers to access it. The site can accept scanned copies of faxed and paper records, as well as images such as x-rays and CT scans sent by health care providers. HealthVault also allows users to find health information on the Internet and keep it for future reference. Although use of the site is free for consumers, the company will sell sponsored links and advertisements. In response to privacy concerns, Dr. Deborah Peel of the Patient Privacy Rights Foundation, who advised Microsoft on privacy protections, said in a statement that individuals' "personal health information will not be data-mined, because they alone control it." Microsoft is also working with organizations including the American Heart Association, Johnson & Johnson, and the Mayo Clinic to build consumer-targeted Web services compatible with their HealthVault platform.

Medicare Plans Resume Marketing

All seven of the private fee-for-service Medicare plans that voluntarily suspended marketing last summer (INTERNAL MEDICINE NEWS, Sept. 1, p. 50) have been found to be compliant with Centers for Medicare and Medicaid Services requirements and may resume marketing activities for the 2008 benefit year, the agency announced. CMS officials expressed concern over the summer that insurance brokers and agents were engaging in deceptive practices, such as telling beneficiaries that private fee-for-service plans are accepted by all Medicare providers. A comprehensive review of the plans conducted by CMS has verified that "vast improvements to their internal controls and oversight processes" have been made. The agency also announced that it has beefed up its oversight procedures, including requiring specific disclaimer language in enrollee materials. "We believe the new requirements and compliance plans build a system that is designed to prevent marketing violations," CMS Acting Administrator Kerry Weems said in a statement. The seven plans are United-Health Group, Blue Cross Blue Shield of Tennessee, Humana, Sterling, Well-Care, Coventry, and Universal American Financial Corp.

—Leanne Sullivan

Editor's Note on This Series

This look at the health care proposals of former Sen. John Edwards (D-N.C.) is the first in an occasional series highlighting the health policy views of those seeking to be our next president. Each article is based on a 1-hour health policy forum with an individual candidate held at the Kaiser Family Foundation in Washington, D.C., and sponsored by Families USA and the Federation of American Hospitals. Forums that have been announced so far feature Sen. Hillary Clinton (D-N.Y.), Rep. Dennis Kucinich (D-Ohio), Sen. Joe Biden (D-Del.), Sen. John McCain (R-Ariz.), Sen. Christopher Dodd (D-Conn.), former Gov. Mike Huckabee (R-Ark.), Gov. Bill Richardson (D-N.M.), and Rep. Ron Paul (R-Tex.).