

Biden Favors Incremental Health Coverage Approach

BY JOYCE FRIEDEN
Senior Editor

WASHINGTON — Sen. Joseph R. Biden Jr. (D-Del.) will tell you right up front that health care would not be his top priority if he were elected president.

“Ending the war in Iraq will be my single highest priority, and preventing war in Iran will be one of my highest priorities as well,” the senator, a candidate for the Democratic presidential nomination, said at a forum on health care policy sponsored by Families USA and the Federation of American Hospitals.

That said, the sixth-term senator added that there is no reason he couldn't put several elements of his health care plan into motion in the first 6 months of his presidency.

Unlike Sen. Hillary Rodham Clinton (D-N.Y.) and former Sen. John Edwards (D-N.C.), Sen. Biden said he would not mandate that every citizen obtain health insurance. Instead, he would



encourage employers to continue offering coverage by guaranteeing that the federal government would pay 75% of catastrophic health care that exceeded \$50,000 for an individual employee.

“The carrot is that [employers] get reinsurance, but the stick is they have to insure everybody,” he said at the forum, one in a series with presidential candidates underwritten by the California Endowment and the Ewing Marion Kauffman Foundation.

One reason politicians have backed away from proposing catastrophic health care coverage is that they remember what happened 20 years ago with the Medicare Catastrophic Coverage Act, the senator noted.

That law, signed by President Reagan in 1988, gave Medicare beneficiaries full coverage for hospital stays of any length after a \$560 deductible for hospital costs and a \$1,370 deductible for doctor bills. It was repealed in 1989 because Medicare beneficiaries were concerned about the additional premiums they would have to pay. But “that was a different world, and a lot has changed,” Sen. Biden said.

Another part of Sen. Biden's plan for the first 6 months of his administration would be getting all children covered. He would start by expanding the State Children's Health Insurance Program (SCHIP) to include children in families making up to \$60,000 per year.

“Anyone who thinks a couple who makes \$60,000 a year and has four kids ... is willing to spend \$1,400 per month for health insurance, ought to get out more,” the senator said.

He also proposes allowing the public to buy into the Federal Employees Health Benefits Program, even though he admits it may not be the best health insurance

program available. “It's there, everybody understands it, and there's a sense of confidence about it—‘If my senator has this, it must be good enough for me.’”

Another part of Sen. Biden's health care proposal includes letting anyone 55 years and older buy into Medicare. The government would provide subsidies for low-income citizens who couldn't afford to pay the Medicare premium.

He estimates the cost of all these proposals at \$90-\$110 billion annually, which he said can be partly achieved by rolling back tax breaks for the richest 1% of Americans. He would also eliminate tax breaks on capital gains and dividends, and end tax loopholes for hedge fund managers and private equity partners.

In addition to his health insurance proposal, Sen. Biden said he would like to see the federal government put more emphasis on prevention, although he admitted such an investment might not pay off for a while. “That's one reason I want

to insure children at the front end. You have children who don't have health insurance, and parents not being able to take them to a regular physician ... they build up problems, so they end up being less healthy by [the] time they're 21 years old.”

Sen. Biden continued, “The whole notion is changing the paradigm—front end, costs; back end, significant savings.”

“One of the problems with the mentality of American businesses and insurance companies is that they always think about the next quarter. Very seldom does anyone think about the next year or 5 years or 7 years. If we're going to get these costs under control, then it seems to me that you have got to be investing now.”

Medicare costs will grow dramatically over the next decade, as the Baby Boom generation retires, Sen. Biden said. He offered three suggestions for cutting Medicare costs.

First, “we should be reimbursing private insurers [who participate in the Medicare Advantage program] the same way we reimburse everyone else. We're reimbursing them about \$10 billion a year beyond what we're reimbursing others.”

Second, “being able to negotiate price relative to cost of drugs, [as] we do in the Veterans Administration, would significantly reduce the cost.”

Third, if he is able to increase the focus on prevention, “by the time people [who are now in their 30s and 40s] hit the Medicare system, they'll have much more control of these chronic diseases.”

If other cost cuts are needed, then “in the first year, I think I [will be able to] cut the Defense Department by over \$160 billion by ending the war in Iraq” and implementing other savings there, the senator said. ■

POLICY & PRACTICE

HIV Policy Changes Urged

A small change in how the Centers for Disease Control and Prevention tracks new HIV/AIDS cases could help capture data on infections in women, especially minorities, more accurately, potentially helping to get infected women into treatment much earlier, according to a coalition advocating the change. The National Women and AIDS Collective (NWAC), along with Sen. Hillary Clinton (D-N.Y.) and Sen. Edward Kennedy (D-Mass.), is asking the CDC to revise the model it uses to capture data on new cases of HIV/AIDS so it records more information on environmental and socioeconomic factors. “Research shows that women of color remain at disproportionate risk of HIV infection even when they aren't engaging in high-risk behavior such as drug use, sex with men who have sex with men, [and] sex work,” the NWAC said in a statement. “As such, a data collection method that takes into account only high-risk behaviors falls far short of addressing the prevention needs of women of color and other populations whose HIV rates are influenced by a range of environmental and socioeconomic factors.” The NWAC, together with Senator Clinton and Senator Kennedy, plans to set up a working group with the CDC to try to enact the changes, a spokesperson for the NWAC said.

Abstinence Programs Don't Work

There is no strong evidence that any abstinence program delays the initiation of sex, hastens a return to abstinence, or reduces the number of sexual partners, according to findings in a study from the nonpartisan National Campaign to Prevent Teen and Unplanned Pregnancy. “Many of the abstinence programs improved teens' values about abstinence or their intentions to abstain, but these improvements did not always endure and often did not translate into changes in behavior,” said the report, “Emerging Answers 2007.” But two-thirds of programs that support both abstinence and the use of condoms and contraceptives for sexually active teens had positive behavioral effects, according to the report. However, the report said that researchers should not conclude that all abstinence-only programs are ineffective, because fewer than 10 rigorous studies of these programs have been carried out, and studies of two programs provided “modestly encouraging results.” More investigation is needed before the programs are disseminated widely, the report concluded.

Preventive Coverage Widespread

Almost all of the health savings account/high-deductible health plans (HSA/HDHPs) that are offered by the employment-based insurance market provide “first-dollar” coverage for preventive care, regardless of whether the deductible has been met. In a July 2007 survey by America's Health In-

urance Plans, 96% of small groups (50 or fewer employees), 99% of large groups (51 or more employees), and 99% of jumbo groups (3,000 or more employees) said they cover preventive care on a first-dollar basis. Conversely, only 59% of individually purchased HSA/HDHPs do so. The 36 companies surveyed had more than 1.7 million HSA/HDHP enrollees (there are 4.5 million HSA/HDHP enrollees nationwide). The preventive care services commonly covered include recommended immunizations and preventive screenings. All of the plans that were surveyed covered mammograms, Pap smears, and annual physicals, and most of them covered colonoscopies and prostate cancer screening.

Improvement Through Transparency

Transparency of quality and price information is important or very important for improving the U.S. health care system, according to 77% of 241 health care opinion leaders who were surveyed in October 2007 by Harris Interactive on behalf of the Commonwealth Fund and Modern Healthcare. Stimulating provider performance-improvement activities was rated as an important or very important goal of transparency by 84% of respondents; 76% also cited encouraging payers to reward quality, and 66% thought helping patients make informed choices was an important or very important goal. More than half (56%) of the respondents thought that a new public-private national entity should be responsible for setting the standards for measurement and reporting, with 75% of them saying that the costs of such measurement and reporting should be shared by providers, insurers, and the government. Most of the respondents (88%) felt that the adoption of health information technology was an important or very important component of any system of transparency. The online poll surveyed peer-identified leaders and experts in academia, research, health care delivery, business, insurance, government, and labor and advocacy groups.

Generics and Part D

Under Medicare Part D plans, 56% of drugs dispensed were generics, and generics were dispensed 88% of the time when they were available, according to a November 2007 report by the Office of Inspector General of the Department of Health and Human Services. However, 37% of prescriptions were for drugs with no generic substitute, said the report. Overall utilization of generic drugs varied among Part D plans, from a low of 37% to a high of 83%. The data were derived from 341 million Part D prescriptions dispensed in January through June 2006. The generic usage rates of Part D plans are comparable to those of state Medicaid programs in 2004.

—Leanne Sullivan