

OCMS HEALTH CARE LEGISLATION POSITION STATEMENT

The Oakland County Medical Society is deeply concerned about the many problems present in our current health care system, including rising costs, large numbers of uninsured individuals, dysfunctional payment systems, an out-of-control malpractice situation, and shortages of primary care physicians, specialists, and other health care providers. Physicians work in our health care system every day and are intimately familiar with all of its shortcomings. True health care reform that could ameliorate or solve these problems would be welcomed and supported by the physician community.

What is currently being considered in Congress, however, is health care legislation – a very different matter. Health care legislation carries the possibility of improving health care, but it could just as easily make things worse. Its worthiness must be judged on the merits of its provisions and the effects they are likely to have in the real world of health care delivery.

While Oakland County physicians applaud Congress' intention to provide coverage to the uninsured, reform the health insurance industry, and control costs, careful examination of the Senate health care bill (H.R. 3590) suggests that it would fall well short of achieving those goals:

- It will provide coverage for only slightly more than half of those currently without health insurance, leaving 23 million still uninsured when the legislation is fully implemented (CBO analysis 11/18/09).
- It will prohibit some discriminatory practices used by health insurers (rescissions, denials based on preexisting conditions), at the cost of making it much more economically rational for healthy individuals to wait until they are sick to purchase health insurance.
- It might reduce the federal deficit if all tax and cost-cutting provisions are implemented and work according to plan, but overall health care spending and insurance premiums will almost certainly increase because of coverage expansion, subsidies, and limitations on cost sharing (CMS actuarial analysis 11/13/09), thus “bending the cost curve” upwards, not downwards.

Aside from the fact that it accomplishes too little and costs too much, there are many other provisions in the Senate bill that raise grave concerns among Oakland County physicians:

- Most of the coverage provisions of the Senate bill do not go into effect until the year 2014. It is disingenuous to claim that this bill needs to be rushed through Congress to address an insurance crisis, and then not even begin to deal with that crisis for at least four years.
- The Medicaid population will be expanded by over 40%, increasing the strains on a program that already has too few providers, functions poorly, and is decimating Michigan's budget. It makes no sense to add more people to a program that cannot provide adequate care to its current population.
- The inadequate primary care infrastructure of our health care system will be strained to the breaking point. Today, patients are forced to seek treatment in emergency rooms due to lack of insurance; tomorrow, those same patients, despite having insurance, will be forced to seek treatment in emergency rooms

because they won't be able to find qualified primary care physicians to manage their ongoing medical problems. Provisions addressing the supply of primary care physicians are woefully inadequate.

- Much of the financing of the proposed health care legislation comes from Medicare payment reductions based on unspecified productivity improvements, cuts in payment updates, and the actions of an "Independent Medicare Advisory Board", totaling over \$200 billion in Medicare cuts over the next ten years. Such cuts will be made without regard to the increasing numbers of people covered by Medicare as the population ages, technological advances, or unforeseen health problems (e.g., an influenza pandemic). There is no indication that Medicare cuts of this magnitude can be made without substantially limiting care for seniors.
- By failing to include permanent repair of the flawed Medicare physician payment formula in the proposed health care legislation, Congress is indicating its unwillingness to address this important issue.
- Given the above-mentioned Medicare cuts and payment flaws, along with the fact that the Medicare "trust fund" runs out in 2017 (2009 Medicare Trustees Report), it would be irresponsible to expand the program to include people below age 65.
- By failing to include meaningful liability reforms in the health care legislation, Congress shows that it is unwilling to address a prime cause of inefficiency and waste in the health care system. How can physicians be expected to cut costs and improve efficiency while constantly being threatened with financial ruin by an out-of-control tort liability system?
- By balancing 10 years of budget reductions and tax increases (which start in 2010) against only 5 or 6 years of program expenses (which start sometime in 2014), Congress is deceiving the public by making the proposed health care legislation look much less costly than it actually is. It's like charging for 10 years of insurance premiums but only giving 6 years of coverage!

In the face of the above considerations, the Oakland County Medical Society reluctantly concludes that the Senate health care bill is unlikely to improve our health care system and may make many aspects of that system worse. We believe that it would be irresponsible to support the passage of such legislation in anywhere near its current form. We urge our elected representatives to reject the bills that are currently under consideration, and go back to develop new, more modest legislation that directly addresses the problems facing our health care system.

The Oakland County Medical Society will continue to seek to improve the health care system in Michigan and looks forward to working with all interested parties on proposals that truly have the potential to make Michigan a healthier place to live and work.