

ALONG WITH KUDOS, HEALTH CARE STAKEHOLDERS COUNSEL “WAIT-AND-SEE”

By Jim O’Sullivan
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STATE HOUSE, BOSTON, APRIL 3, 2006.....Legislative aides who had spent months fiddling with incentives and triggers smiled wearily, and Gov. Mitt Romney hailed “a landmark day” witness to a “once in a generation” achievement.

The tone inside the State House on Monday, and from those interested in the business conducted therein, was congratulatory for the conferees who hashed over a marquee health care bill that has swallowed much other Beacon Hill business since before Thanksgiving. Even their staffs, who often labor in anonymity, earned sustained applause at a press conference situated neatly between the offices of the two legislative leaders.

The slowgoing process that produced the compromise should not have been unexpected, said Ronald Hollander, president of the Massachusetts Hospital Association.

“Something as complicated and as breakthrough as this, I don’t think we should be surprised,” Hollander said. “I think we’re very, very lucky. Most states across the country don’t know what to do with this problem.”

Upon announcement of the conference committee’s agreement, members of the Legislature anticipated the unblocking of a legislative bottleneck that has prevented other bills from advancing, with personnel tied up in health care negotiations, and the reform’s large price tag leading to economic uncertainty.

“Everything that’s been done up to this point has been held up...Until you know what the dollars are that you have to work with, you really can’t do much else,” said Sen. Scott Brown (R-Wrentham), giving road and bridge funding and an economic stimulus package as examples. “And this was such a big-ticket item, I don’t think they wanted to overcommit.”

Business and health care leaders said they were pleased the lawmakers had found a solution they said would reduce the spiraling cost of providing health coverage.

Responding to a question on whether companies would be discouraged from investing in Massachusetts, Jack Connors, chairman of both Partners HealthCare and a large Boston advertising firm, replied, "No, absolutely not. The businesses that are bringing jobs here are big companies, good-sized companies."

But, as House Speaker Salvatore DiMasi cautioned when he said, "This is just the beginning," the path between today's handshakes and the plan's actual enactment could be long and harrowing.

The labor movement sounded a note of dissent about the mandate on individuals to purchase insurance. Meanwhile, moving forward on a track separate from the legislation's, a ballot initiative would require expanded access.

John McDonough, a former legislator who now heads Massachusetts Health Care for All, said the fate of the mandate for universal low-cost and comprehensive health care remains uncertain, and will hinge on changes to the bill going forward, as well as the input of the group's nine-member ballot committee. Before the committee decides whether to push forward with the November ballot drive, McDonough said, it would have to inspect the 145-page bill, weigh Gov. Mitt Romney's actions on the bill, possible subsequent overrides, and then examine how health care funding fares in the Fiscal Year 2007 budget, which the House hopes to unveil this month.

The committee, which usually votes unanimously, McDonough said, would need to cast a two-thirds vote to quell the petition effort. That decision, he said, could be a month or more away.

"It's not appropriate for me to say" whether the initiative will go forward, McDonough said.

Stakeholders with various interests in the debate's outcome weighed in Monday:

Barbara Roop, co-sponsor of universal health care constitutional amendment: "It will maintain the current momentum for reform and provide the Legislature with some new tools to address the next big issue in the health care coverage crisis, affordability."

Jack Connors, CEO of Partners HealthCare and co-founder of the Hill, Holliday, Connors and Cosmopolos advertising agency: Asked whether the plan amounted to a "giveaway" for hospitals, as Sen. Richard Moore acknowledged some had surmised, Connors replied, "Actually, it's more a question of fairness for the hospitals. The hospitals on average in the Commonwealth have been getting something in the vicinity of 80 cents on the dollar in reimbursement. And the only thing the state is able to purchase for less than cost is health care. And the net net of it is that Massachusetts hospitals as a whole are the 46th most profitable in the United States, or the 4th least profitable. Therefore, a lot of the Catholic hospitals, the community hospitals are unable to invest in technology, are unable to invest in plant equipment or put more money in the doctors and nurses' pocketbooks. And this is more about fairness. Over three years, this'll bring it up to close to 95 cents on the dollar ... and therefore, we'll be in a position where we can make some of those investments, where we won't be at the bottom of the barrel. And it's really about fairness ... Anybody that knows that they're talking about wouldn't call this a giveaway."

Sen. Scott Brown (R-Wrentham): "It's certainly a nice effort. I know they've been working very hard on it and it's kind of held up everything up to this point, so I'm hopeful that other things will come out. I'm just curious about the businesses and how they're going to be affected, whether we're just taxing them into moving to New Hampshire or down to North Carolina. That's what I need to zero in on. I think the governor's probably going to veto portions of this," Brown

said, specifying “the areas that are basically taxing them, the businesses, and potentially putting them out of business.”

Robert Haynes, president of the Massachusetts chapter of the AFL-CIO: "We are particularly concerned about the implementation of the individual mandate contained in this legislation. Our concern is that it will lead to an even more precipitous decline in employer-provided health care. From 2001 to 2004 over 10,000 workers lost their employer-provided health coverage in Massachusetts. We are hopeful that situation will not be made worse by this bill. That said, we are encouraged by the Speaker and Senate President's assurances that they have heard our concerns about the individual mandate and we intend to work with them to monitor the situation closely during the implementation of this legislation. The Massachusetts AFL-CIO looks forward to playing an integral role in the ongoing health care debate in this Commonwealth. We are cautiously optimistic about the progress this bill signifies in making health care more affordable and accessible for working families."

Gov. Romney, during a mid-afternoon press conference: When asked if this bill could be a model for other states: "I really can't offer a solid opinion on that at this point. I know of a couple other states that believe this could well apply in their state, and I've met with more than one governor who's come by to say 'let me understand your program.' Actually, Newt Gingrich was here last week saying 'can I understand how this program works.' And I laid it out for him...my guess is that this will apply in some places and not in others." Asked about whether his comments are indicative that he will sign the bill: "We haven't read the bill yet, it's 140 pages, so I can't comment on whether everything will be free of my adjustment. But the heart of this bill, and the key provisions, are all on the same page, and that's something, which is clearly worth celebrating...The big sticking point was seeing an assessment that would turn into a tax."

John McDonough, executive director of Mass. Health Care for All: “The structure is not what we’d envisioned, but it’s a plausible, potentially doable structure that can work.”

Ronald Hollander, Massachusetts Hospital Association president, on Medicaid payments: “From what we’ve heard, it’s anything but a giveaway for hospitals. One, it’s making rates that are generally acknowledged to be less than the cost of care to be closer. And number two, there’s going to be some clear requirements on hospitals to meet certain quality and other standards in order to qualify for the higher rates. So I think everybody’s going to have their responsibility, hospitals as well as everybody else.”

“When you think about it, it really is, I think, in many respects, from what I hear, the best of all three plans.”

Hollander, in a separate statement released by his office, said: “More work remains. Pending enactment, we commit ourselves to the work of implementation. Regulators and health care providers face a Herculean task to develop and adapt to new systems. In addition to working to get the details right, we will advocate for all the federal support due to Massachusetts.”

Rep. Alice Wolf (D-Cambridge) emerged from a joint caucus of House members discussing the bill, calling the mood “happy”: “If we get 95 percent of the people covered in three years, I’m happy with that ... What is important about this mechanism is that everybody’s in the mix.”

Asked if there was a sense of relief in the room, Wolf replied, “I didn’t get that so much, but certainly there is overall, because, as you know, the bills are stacked up waiting for this to be done.”

Senator Edward M. Kennedy, in a statement released by his office: “Massachusetts once again leads the nation with an innovative plan that will achieve our longstanding goal of expanding health care for all. We could not have achieved

today's landmark agreement without the strong leadership of Senate President Travaglini and House Speaker DiMasi. Their skill in crafting this legislation and their dedication to seeing it through have been extraordinary. I'm optimistic that it will quickly be signed into law and I'll continue to fight to keep the federal dollars that will be critical in enabling this plan to become a reality."

Richard Lord, president of the Associated Industries of Massachusetts employer group, said in a statement: "A.I.M. is pleased that after several months of serious deliberations between and among the Massachusetts House and Senate, the Romney Administration, and business and civic groups, an accord has been reached for a forward-looking effort to expand access to health care to residents of the state, and to bring health care costs under control. "As noted by the leadership of the House and Senate this afternoon, implementation of the bill's many provisions during the period ahead will require cooperation of government, health care providers, employers and individuals. The passage of the bill marks the commencement of a significant effort for the Commonwealth to extend access to health care to all of its citizens. "The journey to transfer our health care system into a high value, efficient model that delivers quality care to the citizens of the Commonwealth at an affordable price will be strongly supported and advocated by A.I.M."

Dr. Marylou Buyse, president of the Massachusetts Association of Health Plans, said in a release: "Today's announcement is a clarion call for everyone in health care and will require a commitment from everyone in health care - hospitals, physicians, health plans, consumer groups, employers and policymakers - to work together to make the most of the opportunity now before us. Many of the specifics related to the introduction of new health plan products will be defined by regulation. We look forward to working with legislative leaders, the Administration, business groups and our colleagues in the health care community in crafting the crucial rules and

regulations around these new offerings so that employers and consumers will have the ability to choose more affordable options that meet their health care needs and fit their budgets."

Jon Hurst, president of Retailers Association of Massachusetts, said in an interview: "All I know is what I heard and what I read," adding that his main concern is whether the plan will reduce premiums for small businesses. Premiums have risen by double digits for the last six years, he said. Attorney General Thomas Reilly, a Democratic gubernatorial candidate, in a campaign press release: "This bill promises to cover hundreds of thousands of people who previously did not have health insurance, many of them our children. It should restore fairness for responsible businesses and taxpayers who have had to unfairly foot the bill when uninsured patients use the free care pool. It will help assure that Massachusetts continues to receive hundreds of millions of dollars in federal Medicaid funds that help pay for basic services. And it would accomplish these goals without a costly payroll tax that would have hurt businesses and our state's competitiveness. "I hope the Romney-Healey administration rises to the moment and embraces the hard work by legislative leaders, the business community, and so many others to sign this bill into law. "The enactment of this legislation would be a significant step forward. But major work will remain to make sure that this bill is implemented properly."

Democratic gubernatorial candidate Deval Patrick, in a press release from his campaign: "I have not yet seen the details of the legislative compromise, but I am glad there is one. Real reform of health care is hard, but we urgently need it. "I have been clear throughout this campaign that I support universal health care. I believe every man, woman and child in this Commonwealth is entitled to affordable, safe, accessible, quality health care. The Legislature - in particular the Speaker, the Senate President and the chairs of the House and Senate Ways and Means Committees - are to be commended for their work to advance us

toward this goal. While more can and should be done to control escalating costs, and more will be done in my administration, I urge all legislators to support the compromise. We need action.

"Now, we turn our attention to the governor. In the past, he has taken opportunities such as these to score political points at the expense of our best interests. His objection to the modest proposed employer assessment has been a missed opportunity to show leadership. I believe it is fair to ask employers who do not provide insurance to their workers to share in the cost to the state of doing so. Today, I call on the governor to do the right thing and sign this bill."

State Democratic Party Chairman Philip Johnston, a health care policy consultant and the former state secretary of Health and Human Services, said in a press release: "A quick analysis of the bill shows that a significant percentage of the 500,000 uninsured citizens will be covered under this legislation. One of the principal reasons that it will be so important to elect a Democratic governor later this year is to make sure that this legislation is implemented by an administration with a real commitment to providing healthcare to working people in our state.

"It is a great day in the history of healthcare in Massachusetts. We should all be proud of the work of our legislators. I very much hope that Governor Romney will sign this progressive legislation in the next few days and that he will work closely with our congressional delegation led by Senator Kennedy in efforts to implement the Medicaid expansion provisions of the bill."

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