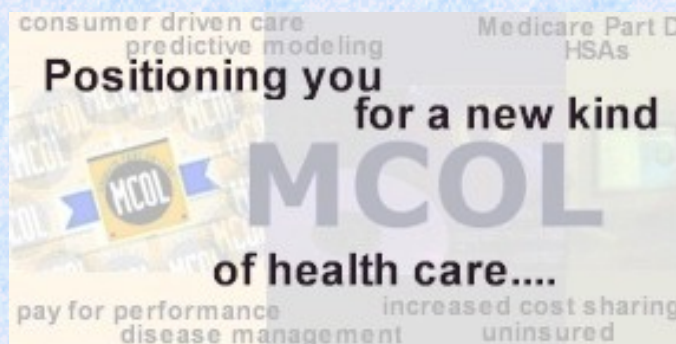


# MCOL MONTHLY

MCOL Monthly is an e-magazine exclusively for MCOL Paid members, providing a compilation of key articles and features from the MCOL paid member web site and paid member e-newsletters.

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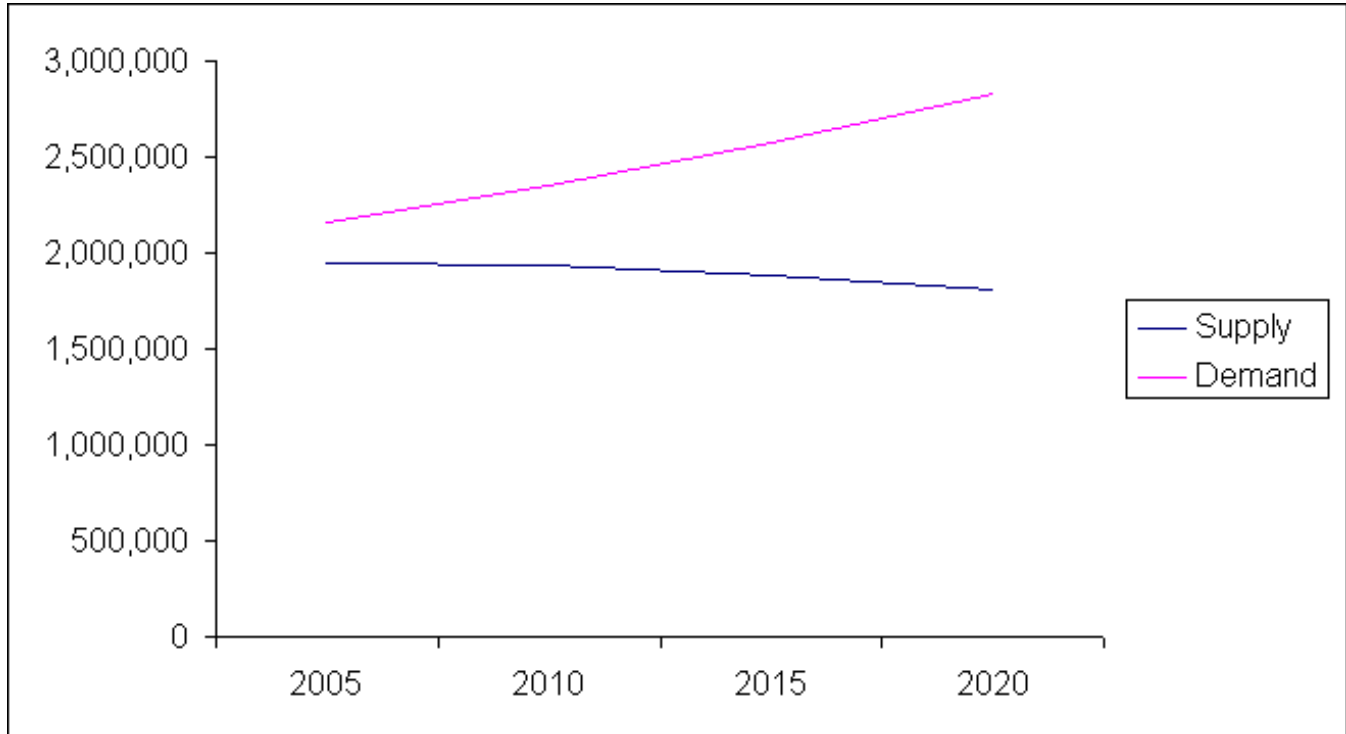


# Trends

A featured trend compiled by MCOL • Appearing in the MCOL Paid member web site for February 2007

## FTE RN Staffing Projections, 2005 to 2020

2005-2020 RN Staffing Supply vs. Demand - Projected

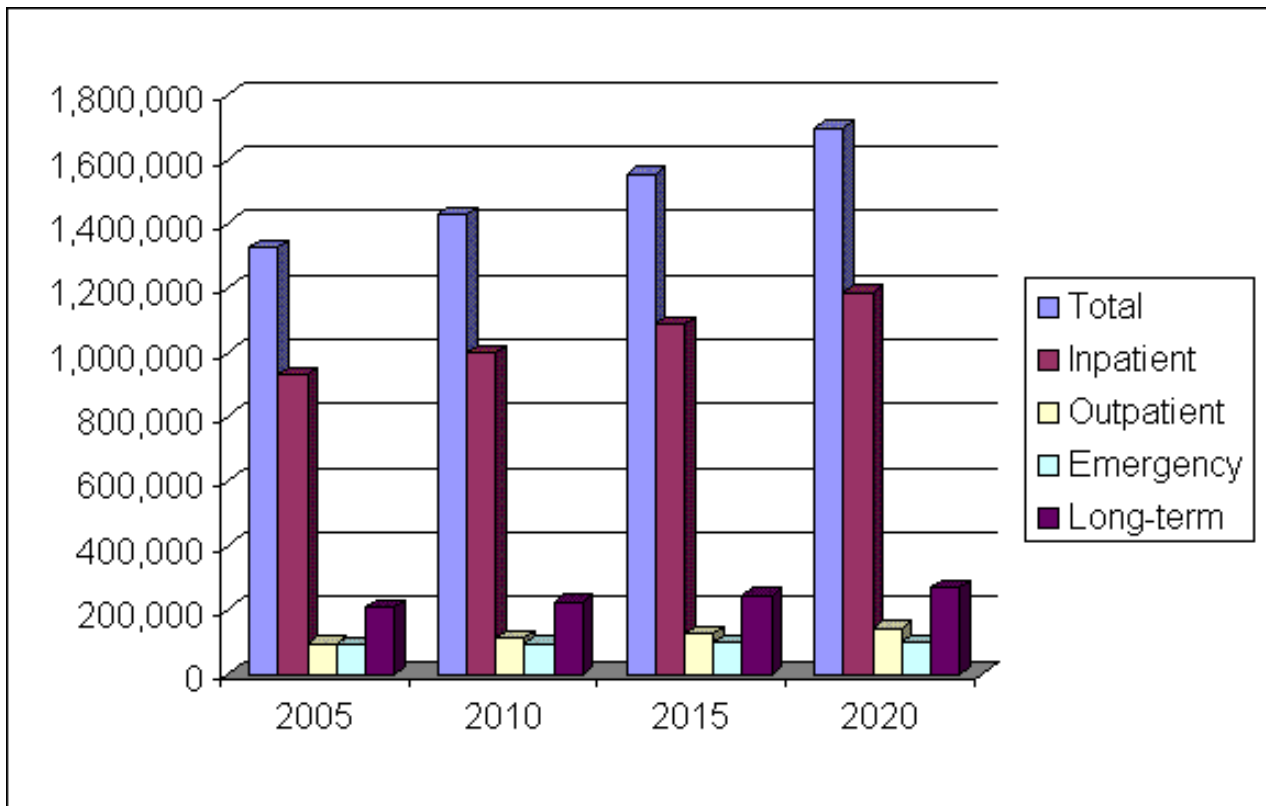


	2005	2010	2015	2020
<b>Supply</b>	1,942,500	1,941,200	1,886,100	1,808,000
<b>Demand</b>	2,161,300	2,347,000	2,569,800	2,824,900
<b>Shortage</b>	-218,800	-405,800	-683,700	-1,016,900
<b>Supply ÷ Demand</b>	90%	83%	73%	64%
<b>Demand Shortfall</b>	10%	17%	27%	36%



## Trends continued

### Hospital FTE RN Demand 2005-2020

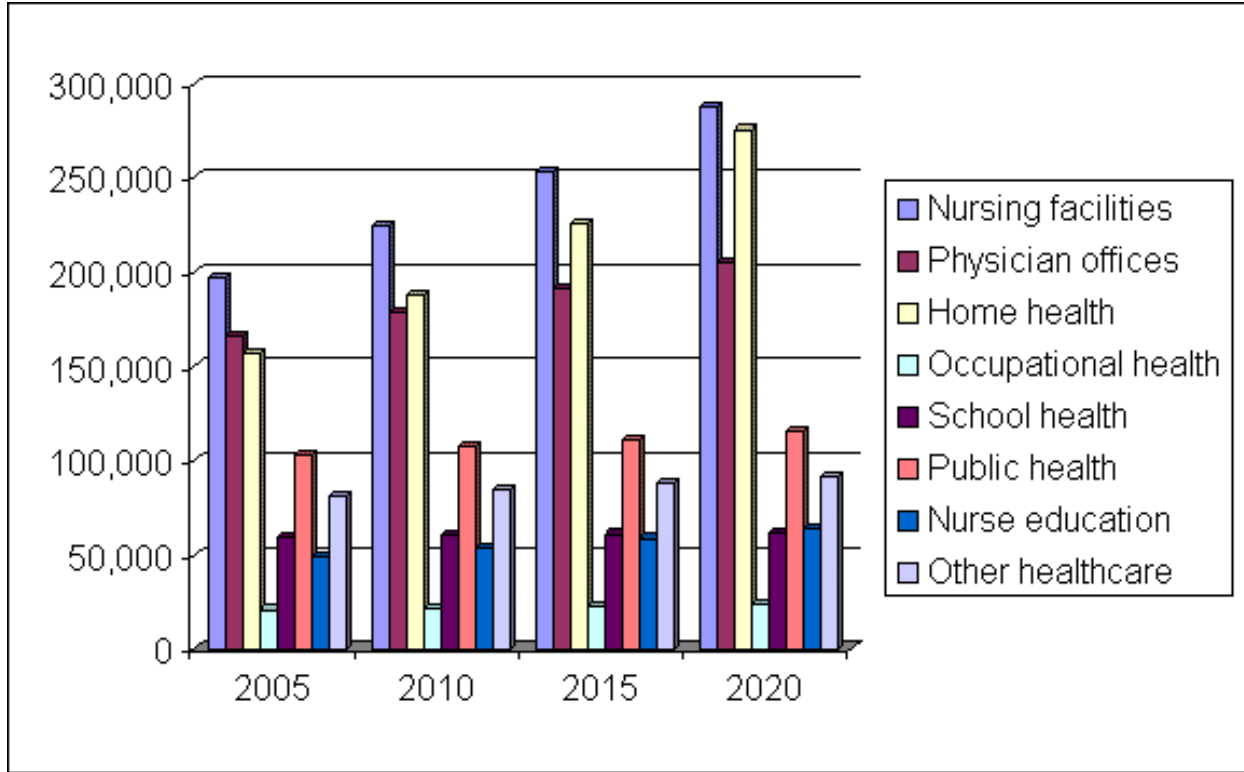


Setting	2005	2010	2015	2020
<b>Total Hospitals</b>	1,324,800	1,427,900	1,555,600	1,698,900
<b>Short-term hospital, inpatient</b>	930,200	999,100	1,086,800	1,187,000
<b>Short-term hospital, outpatient</b>	95,900	110,400	126,400	142,000
<b>Short-term hospital, emergency</b>	92,200	94,500	97,300	100,400
<b>Long-term hospitals</b>	206,500	223,900	245,100	269,400



## Trends continued

### Non-Hospital FTE RN Demand 2005-2020



Setting	2005	2010	2015	2020
<b>Nursing facilities</b>	197,200	224,500	253,600	287,300
<b>Physician offices</b>	166,400	178,800	191,600	204,700
<b>Home health</b>	157,300	187,500	226,200	275,600
<b>Occupational health</b>	21,000	22,000	23,100	23,900
<b>School health</b>	59,700	60,400	61,100	62,200
<b>Public health</b>	103,500	107,300	111,500	115,800
<b>Nurse education</b>	49,600	53,800	58,800	64,500
<b>Other healthcare</b>	81,700	84,900	88,400	92,000

Source:

HRSA

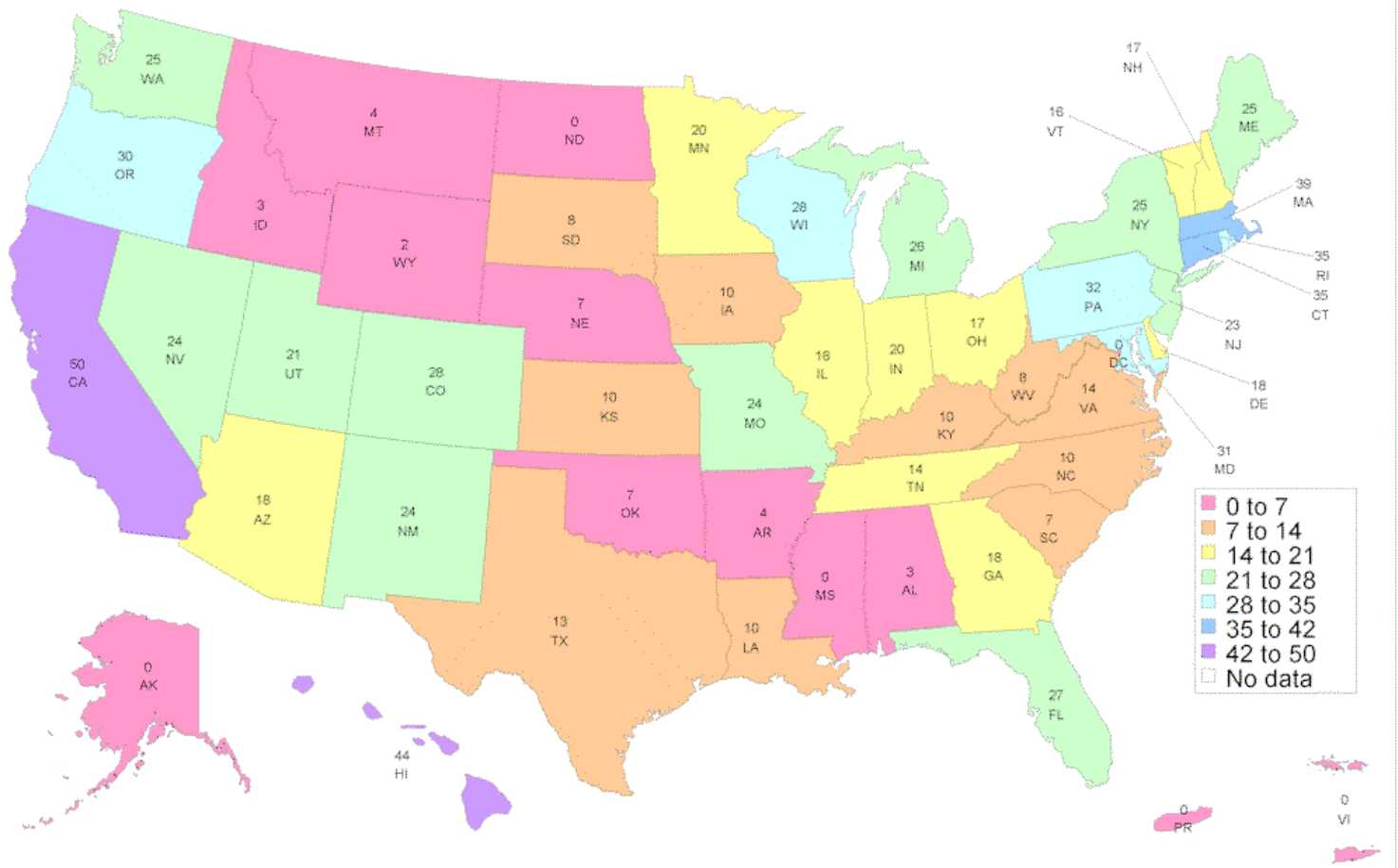
<http://bhpr.hrsa.gov/healthworkforce/reports/behindrnprojections/index.htm>



# Data Map

A featured data map compiled by MCOL • Appearing in the MCOL Paid member web site for February 2007

## HMO Penetration Rate by State





## Data Map continued

### Table (2005 Data)

State	Penetration Rate	State	Penetration Rate
Alabama	3.2%	Nebraska	6.6%
Arizona	18.3%	Nevada	23.8%
Arkansas	4.4%	New Hampshire	17.1%
California	49.9%	New Jersey	23.4%
Colorado	27.6%	New Mexico	24.0%
Connecticut	35.1%	New York	24.9%
Delaware	18.4%	North Carolina	9.9%
Florida	27.2%	North Dakota	0.3%
Georgia	18.3%	Ohio	17.1%
Hawaii	43.6%	Oklahoma	6.9%
Idaho	2.5%	Oregon	30.0%
Illinois	16.0%	Pennsylvania	32.2%
Indiana	19.8%	Rhode Island	34.7%
Iowa	10.1%	South Carolina	7.3%
Kansas	9.8%	South Dakota	8.3%
Kentucky	10.0%	Tennessee	14.1%
Louisiana	10.4%	Texas	12.9%
Maine	25.4%	Utah	21.2%
Maryland	31.0%	Vermont	15.9%
Massachusetts	38.6%	Virginia	13.9%
Michigan	26.0%	Washington	24.8%
Minnesota	19.8%	West Virginia	7.9%
Mississippi	0.4%	Wisconsin	28.2%
Missouri	23.7%	Wyoming	2.0%
Montana	4.1%		

Source:  
Kaiser Family Foundation / [statehealthfacts.org](http://statehealthfacts.org)

<http://www.statehealthfacts.org/cgi-bin/healthfacts.cgi?action=compare&category=Managed+Care+%26+Health+Insurance&subcategory=HMOs&opic=HMO+Penetration+Rate>



# How-To

Tips on health management and managed care methodologies • From the January 2007 @How-To e-Newsletter

## NCQA Back Pain Recognition Program

Treatment of Lower Back Pain is a significant issue, both in terms of the prevalence of the ailment, along with the volume, cost and disparities in the treatment provided. In this issue of @How-To, we discuss key statistics regarding back pain, back pain management issues and the new NCQA Back Pain Recognition Program for Providers

### Why should you care?

Back pain management is a significant cost issue for purchasers of health care, and absenteeism and workplace performance issue for employers. For those involved in care management, back pain management requires significant ongoing resources. Multiple types of providers are involved in the treatment of back pain, and are impacted by demands set forth by patients with back pain, and from purchasers, care management companies and employers monitoring their care.

### Key Statistics

According to the National Committee for Quality Assurance (NCQA):

- 11 percent of the population experiences pain severe enough to impair their usual daily activities each year
- In terms of total population, approximately 30 million Americans suffer from back pain
- Treatment of back pain accounts for one-quarter of all workers' compensation claims.
- Treatment of back pain cost approximately \$91 billion a year.

In the article "Diagnosis and Management of Acute Low Back Pain" appearing in the American Academy of Family Physicians' American Family Physician Magazine, authors Atul Patel, MD, and Abna Ogle, MD cite that:

- acute low back pain is the fifth most common reason for all physician visits
- approximately 90 percent of adults experience back pain at some time in life,
- 50 percent of persons in the working population have back pain every year.
- 90 percent of patients with acute back pain return to work within three months, but many experience symptom recurrence and functional limitations



## How-To: NCQA Back Pain Recognition Program

### Back Pain Management

Disparity in the level, quality, cost and outcomes in treatment provided to back pain patients is a significant issue. NCQA states that "for many patients, acute back pain is best treated with pain management, minimal bed rest and a return to physical activity, since the pain resolves in most patients within 4 to 6 weeks. Yet the treatment offered for acute low back pain in patients without signs or symptoms of more serious disease varies widely, from the recommended approach of pain management and gradual return to physical activity to the premature use of images such as x-rays and CT scans and referral for surgery. Less than one percent of such imaging services actually find the cause of low back pain and patients who avoid the imaging experience no difference in outcomes."

Francois de Brantes, National Coordinator for Bridges to Excellence (BTE) comments that "Over-treatment of back pain often leads to people undergoing expensive and sometimes dangerous care that leaves them in worse health."

Doctors Patel in their Diagnosis and Management of Acute Low Back Pain article, summarize differential diagnosis of acute lower back pain as follows:

Disease/Condition	Patient Age	Location of Pain
Back strain	20 to 40	Low back, buttock, posterior thigh
Acute disc herniation	30 to 50	Low back to lower leg
Osteoarthritis or spinal stenosis	>50	Low back to lower leg; often bilateral
Spondylolisthesis	Any age	Back, posterior thigh
Ankylosing spondylitis	15 to 40	Sacroiliac joints, lumbar spine
Infection	Any age	Lumbar spine, sacrum
Malignancy	>50	Affected bone(s)

Providers typically involved with treatment for patient lower back pain include primary care physicians, chiropractors, orthopedic surgeons, neurosurgeons, and pain management facilities.

### NCQA Back Pain Recognition Program

NCQA has designed The Back Pain Recognition Program (BPRP) to identify high-quality physicians and chiropractors who take a patient-centered approach to back pain using 16 evidence-based criteria. These criteria include: thorough patient assessment; recommendations for appropriate physical activity; avoiding unnecessary imaging; patient education and shared decision-making with the patient about surgery and alternatives to surgery; tracking and analyzing surgical outcomes; and surveying patients about their experience. NCQA will begin accepting applications from providers for the program in April 2007.



## How-To: NCQA Back Pain Recognition Program

NCQA has stated the goals for the program include to:

1. Promote a model of care that includes: comprehensive patient assessment and reassessment; patient education; and shared decision-making with the patient about surgery;
2. Improve care given to people with back pain by identifying individual physicians and groups who are providing quality back pain care; and
3. Motivate other physicians and physician groups to document and improve their delivery of back pain care.

NCQA states that to be eligible, provider applicants must meet the following criteria:

- Be licensed as a medical doctor (MD), doctor of osteopathy (DO) or doctor of chiropractic (DC)
- Complete all application materials and agree to the terms of the program by executing a contract with NCQA
- Submit the required data documenting their delivery of care to a specified sample of eligible patients with back pain
- Use NCQA-supplied or approved methods for submitting data electronically.

### Program Measures, Standards, Criteria and Scoring

NCQA has designed the program to examine applicable samples of patient data. Clinical measures and Structural Standards are examined in evaluation of the provider data and performance, with applicable points awarded for each measure and standard. 100 total point are theoretically possible, with 40 points required for recognition.

The following indicates the clinical measures, targeted % of patients from the sample (with lower percentages desired for measures indicated with a \*, structural standards, and applicable points. Items indicated with a \*\* are applicable to surgeons only:

Clinical Measure:	% Patients	Points
Initial Visit	50%	8
Physical Exam (Must Pass)	50%	9.5
Mental Health Assessment	72%	5
Appropriate Imaging for Acute Back Pain*	50%	7.5
Medical Assistance with Smoking Cessation	76%	3.5
Advice for Normal Activities	48%	8.5



## How-To: NCQA Back Pain Recognition Program

Clinical Measure:	% Patients	Points
Advice Against Bed Rest	48%	7.5
Recommendation for Exercise	71%	5.5
Appropriate Use of Epidural Steroid Injections*	10%	6.5
Surgical Timing**	5%	8.5
Patient Reassessment	25%	5
Shared Decision Making**	50%	6.5
Structural Standards:		
Patient Education	-	6.5
Post-Surgical Outcomes** (Must Pass)	-	8.5
Evaluation of Patient Experience	-	3.5

### Application and Submission of Data

NCQA requires that applicants submit a Completed application form; signed agreement; a 'Business associate addendum'; the Application fee; and Program Data Collection Tool (DCT) with abstracted medical record data for a sample of patients with back pain.

The Program requires applicants to obtain the Recognition Program Package, which includes the Program Standards and Workbook. Applicants must use the Workbook, which enables them to collect and submit data for evaluation. The workbook also contains all the information needed to apply for Recognition, and includes the Standards and Guidelines and a data collection workbook that provides immediate feedback on performance, as well as an application.

NCQA states that physicians seeking Recognition must submit data for 35 eligible patients. For a group practice of two to eight physicians at a single site, the required sample size is 25 patients per physician. The maximum number of patients to sample is 200 for eligible groups of eight or more physicians.

### Purposes of the Back Pain Recognition Program

The following are possible uses and application of the program outside of NCQA:

- Consumers may consider Recognition when selecting providers
- Employers might direct employees to Recognized providers
- Health Plans and Provider Networks might target contracting efforts towards Recognized providers



## How-To: NCQA Back Pain Recognition Program

- Health Plans might establish tiered networks for Recognized providers
- Health Plans and Care Management organizations might direct case management patients to Recognized providers
- Health Plans and Care Management organizations might create different levels of care management review requirements for Recognized vs. non-Recognized providers
- Recognized providers might incorporate Recognition into promotion of their practice
- Referring physicians might direct their referrals towards Recognized providers
- Future care guidelines issued by various parties might be more focused on the input, level and scope of care provided by Recognized providers
- Third parties publishing various provider scorecards and related reports for consumers might incorporate Recognition into their databases and reports
- Pay for Performance programs might require Recognition where applicable

### Source for this issue

Significant content for this issue was quoted from the NCQA press release: New NCQA Program Will Recognize Excellence In Caring For Back Pain, January 18, 2007 at <http://www.ncqa.org/Communications/News/BPRP.htm>, and from applicable NCQA web site pages regarding the program.

The article "Diagnosis and Management of Acute Low Back Pain" appearing in the American Academy of Family Physicians' American Family Physician Magazine, by Atul Patel, MD, and Abna Ogle, MD is available at <http://www.aafp.org/afp/20000315/1779.html>



# Tips

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In getting the most out of your MCOL paid membership

- Select Podcasts from the Paid member main menu to listen to Podcasts from recent recent Healthcare Web Summit events and Publication interviews. The Podcasts are audio files that can be downloaded from the new Podcast menu page, or can optionally be delivered through your RSS feed reader and Podcast software. The audio files are provided in mp3 format, and can be downloaded and listened to with your PDA, iPod, or mp3 player, or through your desktop or laptop computer.
- Track daily news for managed care and other health care topics from the paid member web site by clicking “Daily News” from the main menu, where you can select from nine daily news features offered from six leading services. Choices include:
  - “News Round the Web” compiled by MCOL, with news summaries and full text links to a wide variety of media sources and a particular emphasis on managed care, hospital and HIT issues
  - FeedDirect Health Management, Insurance Industry, Pharma, and Clinical News for MCOL, with each of these four FeedDirect features providing domestic and international headlines and full text links for their daily stories
  - “Benefits Buzz” from BenefitsLink.com with a menu of twenty benefit related topics, each with story summaries and full text links
  - “BusinssWire's Healthwire for MCOL”, where you can browse and select from any of the past seven day's Business Wire health care related releases.
  - Plus scrolling headlines linking to full text stories from Doctors Medical Guide and Modern Physician
- Paid members get 10% discounts on MCOL's e-learning software and HealthQuest Publications, and a 5% discount on products from other leading companies when ordering from the Managed Care Store ([www.managedcaresore.com](http://www.managedcaresore.com)) Paid members also get a 50% discount when registering for Healthcare Web Summit events ([www.healthwebsummit.com](http://www.healthwebsummit.com)) Make sure you identify your self as a MCOL member when placing these orders.
- If you're looking for specific content in the member web site and aren't sure how to find it, feel free to e-mail or call MCOL anytime and we'll assist you with your search, free of charge.



# Blog

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A selected Blog entry from the month of January 2007 for MCOL Blog Partner HospitalImpact.org

## Is this Revolution Health's biggest competitor?

January 12th, 2007 by Tony Chen

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Just a few days ago, I shared my thoughts about Revolution Health's nifty new beta site. It was the most compelling preventive health product for individuals that I've ever seen. Yes, I do mean that. But how about some serious healthy competition from US Preventive Medicine? Ever heard of these guys? You should get to know them - I believe they could very well be Revolution Health's most formidable competitor. Check out the letter they just wrote to the American public in a full-page ad in the WSJ on Wednesday. I know that they must have gotten a great response because they nailed it. And kudos to them for believing in it and dreaming big - for announcing it in WSJ, not in Modern Healthcare, for thinking through web and media strategies (and not just doing a portal), and for partnering with hospitals and physicians instead of ignoring them. Just like Revolution, these guys also want to be the "household" name in preventive medicine. Just as Kleenex is to tissue paper, just like Xerox is to a photocopy, USPM could be to preventive health. Their tagline nails it, too: "more good years."

From what I can gather and share with you all at this point, I've already eluded to one of the main differences between USPM and Revolution Health: USPM is partnering with hospitals and physicians, Revolution Health is not (and when I say, "is not," I'm putting it nicely). I honestly can't think of another business example in which you are banking on the open-mindedness and innovative spirit of hospitals. Aren't hospitals at the bottom of the heap in the area of business innovation? Nonetheless, prevention is such a long time coming, and I'm willing to bet that there are progressive hospitals out there that will outright surprise you with their ability to be nimble and out-of-the-box. Plus, I'm guessing there's room for the both of them.

Would it be fair to compare USPM & Revolution Health to Blockbuster & Netflix? Hear me out. The recent ads for Blockbuster highlight a very distinct advantage: you can rent DVDs via their website and get it mailed to you OR you can still go to the store. Netflix is website / mail only. Similarly, Revolution Health is really just a really robust web portal (with some phone coaching and other goodies / tools). USPM is prevention both through a robust web portal AND physical Centers for Preventive Medicine across the country. Whatever happens, know this - preventive health is too big, too important, and too overdue for this to just be a fad. Someone's gonna figure out how to monetize prevention (read: decreasing hospital utilization) and make billions.



# Tidbits

A featured column in each edition of the MCOL Weekend e-newsletter

## 2007 Prognostications

Appearing in the January 6, 2007 MCOL Weekend

With the arrival of a new year, who can resist whipping out the crystal ball and conjuring up a vision of healthcare future? We offer these predictions from throughout the industry regarding the shape of things to come in 2007:

Ted Nussbaum, director of group and health care consulting at Watson Wyatt foresees these five health benefit trends:

1. Increased focus on high-deductible health plans coupled with a savings or spending account.
2. More benefits information and tools online.
3. As more popular prescription drugs come off patent in the next three years and their prices are reduced, employers will loosen their requirements that employees use generic drugs whenever possible.
4. Greater integration between health care and absence management programs.
5. More on-site clinics in the workplace.

Hindy Shaman, director of the PricewaterhouseCoopers Health Research Institute, points to these seven health care trends for '07:

1. State Initiatives: states are taking the lead on such divisive issues as covering the uninsured, funding stem cell research, and regulating pharmaceutical marketing
2. Transparency Initiatives: To help consumers make more informed healthcare decisions, health organizations will need to disclose more information about the cost and quality of the services they provide.
3. Slow gains for EHRs: The formation of a digital information backbone is continuing slowly with new governmental standards, a focus on patient identifiers and a shift towards digital hospitals.
4. Consumerism: Employers are embracing consumer-driven plans as a way to temper healthcare costs. But what's being done in the name of consumers may be without their blessing
5. Generic Gains: One of the biggest challenges for today's large pharmaceutical companies is posed by generic drug price competition and market share gains.
6. Obesity is the new smoking: When smoking was raised as a costly public health issue, the government started with education, then moved to regulation and mandates. Obesity will go down the same path.
7. Small is big: Despite its nearly trillion-dollar girth, the healthcare service business will continue to behave like a cottage industry in 2007.

HealthLeaders-Interstudy released a white paper: the "Top 10 predictions for managed care in 2007" which forecasts:



## Tidbits continued: 2007 Prognostications

1. Consumer-driven plans will grow, but also experience a backlash
2. The market leaders in Medicare prescription drug plans will solidify their gains, and consolidation will occur later in the year.
3. The new Medicare Special Needs Plans will double in enrollment.
4. Expect Humana to continue dominating the Medicare Advantage private fee-for-service market.
5. Look for publicly traded Medicaid plans to grow and maintain profits.
6. Health plans will make incremental progress in reaching individuals and small businesses.
7. Generics will make up an even bigger part of health plans' total scripts, and the Wal-Mart phenomenon of super low-price generics will become the norm.
8. All of the major health plans will be able to use members' debit cards to do real-time claims adjudication.
9. Retail-based clinics will boom.
10. The Democratic-led-Congress will authorize government's direct negotiations with pharmaceutical companies, but President Bush will veto it.

Joe Walsh of Decision Resources makes the following Pharma predictions for 2007:

1. Democrat Reforms: Democrats in Congress will enact major reform that will dramatically alter the current prescription drug landscape, including: enabling the government to negotiate prices for Medicare, the elimination of authorized generics, and the introduction of the reimportation of drugs into the U.S.
2. AstraZeneca/AtheroGenics' AGI-1067 will receive approval for coronary heart disease and grow to blockbuster status
3. Genentech/Roche's Avastin will be indicated for a variety of new cancers
4. Sanofi-Aventis' Acomplia, a first-in-class cannabinoid receptor antagonist used to treat obesity, diabetes, hypertension, and dyslipidemia-will be reimbursed
5. Biosimilar Epogen will receive EU approval

We also hope our prediction that you will enjoy a healthy and prosperous 2007 comes true.

### For More Information:

Benefits Changes to Continue in 2007, Watson Wyatt Says, Watson Wyatt Press Release, December 28, 2006  
<http://www.watsonwyatt.com/news/press.asp?ID=16867>

Top Seven Health Industry Trends in '07: A PwC Perspective, PricewaterhouseCoopers Health Research Institute, December 2006  
<http://www.pwc.com/us/eng/about/ind/healthcare/pubtopseven.html>

Top 10 predictions for managed care in 2007, HealthLeaders-Interstudy White Paper, December 2006  
<http://home.healthleaders-interstudy.com/index.php?p=whitepapers#>

Top Ten Pharma Predictions for 2007, Decision Resources White Paper, December 2006  
[http://www.decisionresources.com/form/downloads/stel\\_predict2007whitepaper.htm](http://www.decisionresources.com/form/downloads/stel_predict2007whitepaper.htm)



# Tidbits

A featured column in each edition of the MCOL Weekend e-newsletter

## Future Tidbits

Appearing in the January 13, 2007 MCOL Weekend

We've taken an advance peak at next week's Future Care web summit and have this to offer:

Lindsay Resnick, Chief Marketing Officer for Finelight, in his presentation "Health Insurance State-of-the-State - Tomorrow's Business Drivers", tells us with a bit of irony that the uninsured are America's fastest growing insurance marketplace- representing 47 million with 1 million added per year for the past five years. He notes 75% of last years 1.3 million new uninsured were employed. He breaks down this market as primarily consisting of: middle class; small company employees (50% of companies with under 10 employees don't offer coverage); kids; 25-34 year olds (one in four uninsured); and 35-44 year olds (one in five uninsured). On top of that, Lindsay adds another 16 million underinsured.

Lindsay outlines the force of healthcare technology, as including these following business drivers:

- Detection - genomics and stem cell research
- Treatment - Implantable, polypills and bionics
- Monitoring - wireless remote monitoring and compliance
- Administration - integrated benefit, financial and health care platform
- Communication - blogging, mobisodes and podcasts

Janice Young, Research Director - Payer IT Strategies with Health Industry Insights, in her presentation "Pay for Performance", shares results from their December 2006 P4P survey of 57 health plans. Their findings:

- 65% of programs have been in effect for over one year
- 25% of programs have been in place for three years or more
- 80% of programs focus on physicians, 20% on hospitals
- 75% of plans actively promote provider IT initiatives, but less than 40% provide investment or incentives
- Around 60% of plans report P4P as a unique budget line item



## Tidbits continued: Future Tidbits

- Improved clinical outcomes was the top performance criteria, followed by use of clinical guidelines and patient satisfaction

Sandy Lutz; Director of the PricewaterhouseCoopers Health Research Institute, presents "Healthcast 2020: Creating a Sustainable Future" which includes the following nuggets of information:

- The percent of U.S. employers offering health insurance has declined from 69% in 2000 to 60% in 2005
- On average, adults receive 55% of recommended care for many common conditions
- The HealthCast 2020 Survey found that around 35% of American ranked provider reimbursement as an extremely important lever for health care quality and safety measures, while only about 5% of respondents from all other countries ranked it the same.
- 5% of health care consumers account for 50% of all spending, and 30% of consumers account for 90% of all spending

from MCOL...



## To be released during February 2007:



**The Consumer  
Driven Care  
Guidebook  
2007**



**The National  
Managed Care  
Leadership  
Directory**



# Tidbits

A featured column in each edition of the MCOL Weekend e-newsletter

## Healthcare Reform Tour 2007

Appearing in the January 20<sup>th</sup>, 2007 MCOL Weekend

What's New in Healthcare Reform? First stop on our reform tour is a report just released this week from State Coverage Initiatives (SCI), a national program of The Robert Wood Johnson Foundation administered by AcademyHealth. The report, entitled "State of the States 2007, Building Hope, Raising Expectations" details activities of thirteen states active in the reform arena, and then assesses federal reform efforts and enabling legislation for states. The report also details the changes and future direction of Medicaid, focusing on the Deficit Reduction Act of 2006 and State Children's Health Insurance Program (SCHIP).

The report categorizes state initiatives as follows:

State	Type of Initiative	Initiative Name
Massachusetts	Comprehensive Reform	Commonwealth Care
Maine	Comprehensive Reform	Dirigo Health
Vermont	Comprehensive Reform	Catamount Health
Illinois	Covering All Kids	All Kids
Pennsylvania	Covering All Kids	Cover All Kids
Tennessee	Covering All Kids	CoverKids
Arkansas	Public-Private Partnerships	ARHealthNet
Montana	Public-Private Partnerships	Insure Montana
New Mexico	Public-Private Partnerships	State Coverage Insurance
Oklahoma	Public-Private Partnerships	Oklahoma Employer/Employee Partnership for Insurance Coverage (O-EPIC)
Rhode Island	Public-Private Partnerships	WellCare
Tennessee	Public-Private Partnerships	CoverTN
Utah	Public-Private Partnerships	Utah Premium Partnership for Health Insurance (UPP)

Next stop on our reform tour is the newly formed Health Coverage Coalition for the Uninsured (HCCU), comprised of sixteen prominent and very influential national organizations, which just issued a press release this week regarding the consensus reform proposal the group reached after two years of ongoing discussions, and the group's upcoming efforts to lobby Congress with their proposals.



## Tidbits continued: Healthcare Reform Tour 2007

The HCCU participating organizations include:

- AARP
- America's Health Insurance Plans (AHIP)
- American Academy of Family Physicians
- American Hospital Association
- American Medical Association
- American Public Health Association
- Blue Cross and Blue Shield Association
- Catholic Health Association
- Families USA
- Federation of American Hospitals
- Healthcare Leadership Council
- Johnson & Johnson
- Kaiser Permanente
- Pfizer
- United Health Foundation
- U.S. Chamber of Commerce

Ron Pollack, executive director of Families USA, states "this historic agreement transcends traditional political and ideological boundaries to break the gridlock about expanded health coverage for the uninsured. Our unprecedented agreement and coalition should serve as a model for Congress and the President to see that health coverage is expanded to as many people as possible as quickly as possible - starting with America's children this year." Scott Serota, Blue Cross and Blue Shield Association President and CEO adds "Reaching consensus is a long and sometimes difficult process, but every participating group put the interests of America's uninsured first - even when doing so meant walking away from certain long-held positions. With such divergent political ideologies, it is unprecedented for these groups to have a joint agreement. Helping the millions of Americans who do not have health insurance is an issue that needs to transcend politics and partisanship, and that is why we worked together to give Congress a starting point that we can all support."

HCCU issued the following key principle behind their proposal:

1. emphasizing making coverage available to those least able to afford it,
2. relying upon incentives and voluntary approaches
3. building upon the employer-based system and not weakening incentives for employers to offer coverage
4. using a combination of public and private approaches to expand coverage
5. recognizing the budget challenges facing most states
6. recognizing the importance of consumer outreach and education on health coverage options.



## **Tidbits continued: Healthcare Reform Tour 2007**

HCCU proposes to expand health coverage to the uninsured in two phases: Phase I: The "Kids First" Initiative and State Experimentation, and Phase II: Longer-Term Policy Recommendations including Public-Sector and Private Sector Proposals. The HCCU consensus agreement, which spells out the details of these proposals, is available at <http://www.coalitionfortheuninsured.org/pdfs/agreement.pdf>

Our final stop on today's reform tour is in California, where Republican Governor Schwarzenegger announced his health care reform proposals that state democratic legislators, who have a clear majority in both houses, warmly received. Schwarzenegger's proposals:

- All Californians will be required to have health insurance coverage.
- Insurers will be required to guarantee coverage
- Implement "Healthy Action Incentives/Rewards" programs
- Very low-income Californians will be provided expanded access to public programs, such as Medi-Cal, and lower-income working residents will be provided financial assistance to help with the cost of coverage through a new state-administered purchasing pool.
- Increasing Medi-Cal provider reimbursement rates significantly
- Require health plans and hospitals to spend 85% of every premium dollar on patient care.
- Align state tax laws with federal laws by allowing persons to make pre-tax contributions to individual health care insurance Health Savings Accounts. In addition, require employers to establish "Section 125" plans so that employees can make tax-sheltered contributions to health insurance and save employers additional FICA contributions.
- An "increased coverage" dividend of 2% on doctors and 4% on hospitals will be assessed to help cover the increased Medi-Cal rates. Employers of 10 or more who do not provide coverage will pay an "in-lieu fee" of 4% of payroll.

### For More Information

State of the States 2007, Building Hope, Raising Expectations  
State Coverage Initiatives Report, January 2007  
<http://statecoverage.net/pdf/stateofstates2007.pdf>

UNPRECEDENTED ALLIANCE OF HEALTH CARE LEADERS ANNOUNCES HISTORIC AGREEMENT TO HELP REDUCE THE NUMBERS OF AMERICA'S UNINSURED  
Press Release, January 18, 2007  
<http://www.familiesusa.org/issues/uninsured/hccu/hccu-press-release.pdf>

Gov. Schwarzenegger Tackles California's Broken Health Care System, Proposes Comprehensive Plan to Help All Californians  
Press Release, January 8, 2007  
<http://gov.ca.gov/index.php?/press-release/5057/>



# Tidbits

A featured column in each edition of the MCOL Weekend e-newsletter

## U.S. Healthcare compared to other countries

Appearing in the January 27<sup>th</sup> , 2007 MCOL Weekend

With the political climate at both the national and state levels more geared towards health reform that addresses the uninsured, its interesting to step back and take another look at how U.S. health care compares internationally. It should help provide some motivation for improvement.

Kaiser Family Foundation released a new paper this month on "Health Care Spending in the United States and OECD Countries." For starters, they indicate that such comparisons should be limited to countries with relatively higher economic standards, thus they "exclude countries with relatively low per capita income because they have fewer resources to devote to health care and other necessities and do not provide a reasonable comparison for spending in higher income countries." For their analysis they used the Organisation for Economic Co-operation and Developments "OECD Health Data 2006" and selected data for countries with 2003 GDP per capita above the OECD average.

They note that health care spending is a major problem for all industrialized countries, and the rate of health care spending in all countries continues to outstrip their respective overall economic growth rate. But the problem is the most acute in the U.S. "Health care spending around the world generally is rising at a faster rate than overall economic growth, so almost all countries have seen health care spending increase as a percentage of their gross domestic product (GDP) over time. In the United States, which has had both a high level of health spending per capita and a relatively high rate of real growth in that spending, the share of GDP devoted to health grew from 8.8% of GDP in 1980 to 15.2% of GDP in 2003. This almost 7 percentage-point increase in the health share of GDP is larger than increases seen in other high-income countries."

For the most current data available (2003) provided in their report, here is how various countries stack up in comparing health care spending as a % of GDP :

Australia	9.2%
Austria	9.6%
Belgium	10.1%
Canada	9.9%
Denmark	8.9%
Finland	7.4%
France	10.4%
Iceland	10.5%
Ireland	7.2%
Italy	8.4%



## Tidbits continued: U.S. Health Care Compared to Other Countries

Japan	8.0%
Luxembourg	7.7%
Netherlands	9.1%
Norway	10.1%
Sweden	9.3%
Switzerland	11.5%
United Kingdom	7.8%
United States	15.2%

The interesting thing is, the gap in U.S. spending and these other nations wasn't as always pronounced. Taking the data from their study, and converting it to a percentage of U.S. spending, look at the changes from 1970 to 2003 below. As you can see, in 1970, a five of the seventeen other countries analyzed were within 70% or more our per capita spending rate, with two countries actually exceeding it. In 2003, only one country was above 70% (Luxembourg, who seems to be having health care inflation problems rivaling ours.)

Country Per Capita Spending (\$US) as a Percentage of U.S. Per Capita Spending:

	1970	2003
Australia	72%	51%
Austria	55%	52%
Belgium	42%	53%
Canada	85%	52%
Denmark	109%	48%
Finland	54%	37%
France	58%	53%
Iceland	46%	55%
Ireland	33%	43%
Italy	NA	41%
Japan	42%	39%
Luxembourg	46%	81%
Netherlands	NA	51%
Norway	40%	66%
Sweden	89%	48%
Switzerland	100%	67%
United Kingdom	46%	41%
United States	100%	100%
United States	\$372	\$5,711



## **Tidbits continued: U.S. Health Care Compared to Other Countries**

The paper notes "After a brief respite in the mid-1990s, significant annual increases in health care spending over the past few years have refocused U.S. policymakers on the impacts that rising health care costs have on businesses and individuals and on federal and state budgets." Interesting that in the early to mid 1990s, managed care controls were in full swing in the marketplace, and were loosened in the wake of managed care backlash after that period.

Citing information provided in "Health Care Spending And Use of Information Technology in OECD Countries," *Health Affairs*, Vol. 25, No. 3 (May/June 2006), the paper concludes that the higher levels of U.S. spending compared to other countries is for naught: "Despite this relatively high level of spending, the U.S. does not appear to provide substantially greater health resources to its citizens, or achieve substantially better health benchmarks, compared to other developed countries."

Regarding the outcomes the U.S. receives for it's health care spending, the Commonwealth Fund issued a report last fall, the "U.S. Health System Performance: A National Scorecard" in which benchmark scores were developed based on 37 indicators of health outcomes, quality, access, efficiency, and equity, for the U.S. and 18 other other industrialized countries.

The Commonwealth report noted "Among 19 industrialized countries, the U.S. ranked 15th on 'mortality from conditions amenable to health care,' or deaths before age 75 that are potentially preventable with timely, effective care. The U.S. rate was more than 30 percent worse than the benchmark-the top three countries. The U.S. also ranks at the bottom for healthy life expectancy and last on infant mortality.....U.S. mortality for conditions amenable to health care is 115 per 100,000 people, compared with 80 per 100,000 in the top-performer among 19 countries."

The overall U.S. score determined from five domains of categories (long/healthy/productive lives; quality; access; efficiency; and equity) in their system was 66 out of 100, with the lowest domain score not surprisingly being efficiency, scoring a 51. The report notes "Efficiency indicators illustrate that quality, access, and costs are interconnected: poor quality often contributes to higher costs (through higher hospital readmission rates, for example), and poor access undermines quality, while simultaneously contributing to less-efficient care. Efficiency scores also reflect the nation's low use of electronic medical records and relatively high insurance administrative costs."

For More Information:

Health Care Spending in the United States and OECD Countries  
Kaiser Family Foundation, Snapshots: Health Care Costs, January 2007  
<http://www.kff.org/insurance/snapshot/chcm010307oth.cfm>

U.S. Health System Performance: A National Scorecard  
The Commonwealth Fund  
[http://www.cmwf.org/publications/publications\\_show.htm?doc\\_id=403925](http://www.cmwf.org/publications/publications_show.htm?doc_id=403925)



# Factoids

Selected Factoids from the MCOL Daily Factoids e-newsletter

## Top 10 States with Most Dentists, 2006

Appearing in the January 16, 2007 Daily Factoid

Rank	State	Total Dentists
1	California	29,843
2	New York	16,496
3	Texas	11,759
4	Florida	10,125
5	Pennsylvania	9,117
6	Illinois	8,725
7	New Jersey	7,563
8	Michigan	6,832
9	Ohio	6,691
10	Massachusetts	6,251
	United States	198,967

Notes: Data are for December 2006. US total does not include the territories. Definitions: Dentistry: The evaluation, diagnosis, prevention and/or treatment (nonsurgical, surgical or related procedures) of diseases, disorders and/or conditions of the oral cavity, maxillofacial area and/or the adjacent and associated structures and their impact on the human body. Sources: American Dental Association, Dental Data, year of data 2006, copyright 2006: Special data request.. Publication: StateHealthFacts.org, Kaiser Family Foundation. [www.statehealthfacts.org](http://www.statehealthfacts.org)

## Top Part D Insurers, by Market Size

Appearing in the January 26, 2007 Daily Factoid

Company	Enrollees	Market Share
UnitedHealthcare/Pacific Care	3,796,500	27%
Humana	2,437,300	18%
Wellpoint	1,012,400	7%
Member Health	924,100	7%
Wellcare	849,700	6%
<b>Total</b>	<b>9,020,000</b>	<b>65%</b>

Note: The remaining 35 percent of the market is divided among at least 14 other companies. None has a market share of more than 4 percent. Source: Centers for Medicare and Medicaid Services, *Medicare Prescription Drug Plans (PDPs) by Total Enrollment in Parent Organization*. Data as of May 1, 2006. Publication: No Bargain: Medicare Drug Plans Deliver High Prices, January 2007. Families USA. [www.familiesusa.org](http://www.familiesusa.org)



# Announcements

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Items of interest from MCOL

## Upcoming Healthcare Web Summit Events

### Preferred Brand Competition with Generics

*An audio conference with Bridget Eber, PharmD, Towers Perrin.  
Thursday, February 15th, 2007  
1:00 - 2:00PM Eastern (10:00 - 11:00AM Pacific)  
Individual Registration Fee: \$195*

### Maximizing the Use of Pharmacy Data for a Medicare Population

*A Free Health Industry Audio Conference from DST Health Solutions  
Wednesday, February 21st, 2007  
1:00 - 2:00 PM Eastern (10:00 - 11:00 AM Pacific)*

### Consumer Driven Provider Strategies

*A National Consumer Driven Health Care Summit Audio Conference Event with Greg Scandlen, Founder, Consumers for Health Care Choices, co-sponsored by MCOL's Healthcare Web Summit  
Thursday, February 22, 2007, 1:00 - 2:00pm Eastern (10:00 - 11:00AM Pacific)  
Individual Registration Fee: \$345.00*

### Consumer Driven Care 2007

*The sixth annual web summit on consumer choice and consumer-driven health care  
March 19th through 23rd, 2007  
A package of live audioconference sessions, faculty presentations that you can view 24/7 on the web and ask e-mail questions, faculty podcast interviews, video clips, an archive of presentations from the 2006 web summit and more. This year's Summit includes Four Audioconferences, Forty Two On-Line Faculty Presentations, Ten Podcasts, Video Clips and much more for one package registration fee! Individual Registration Fee: \$495*



# Quoted

From MCOL's Quotes of the Week during January, 2007

**The move to consumer-oriented health care programs will continue, and it will evolve to include more than just high-deductible health plans and health savings accounts. Employers will take these efforts to the next level by targeting strategies at specific segments of health-care users and using data on provider quality to help employees effectively control health care costs."** Ted Nussbaum, Director of group and health care consulting, Watson Wyatt

**"All too often there are two shining moments of every strategic partnership - the day both parties sign an agreement and the day they say good-bye! For health plans, market conditions are making strategic partnerships inevitable. Most notably, the need to link with external resources such as banking, technology and customer interaction management."** Lindsay Resnick; Chief Marketing Officer, Finelight

**"States are facing a 'perfect storm' with health care, and that has provided governors and state legislators with the political will necessary to tackle the problem. States have been fertile testing grounds for new reforms and have proven that bipartisan compromise is possible. But, they don't take the place of a national solution."** Enrique Martinez-Vidal, Acting Director, State Coverage Initiatives

**"I propose two new initiatives to help more Americans afford their own insurance. First, I propose a standard tax deduction for health insurance that will be like the standard tax deduction for dependents.... Changing the tax code is a vital and necessary step to making health care affordable for more Americans.... My second proposal is to help the states that are coming up with innovative ways to cover the uninsured. "** George W. Bush, President of the United States of America

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Thank you for being a MCOL member!