



Health Care for All - Washington

An information Pipeline for Members and Friends of Health Care for All-Washington
Formerly known as HealthCare2000

Medicare Prescription Drug Improvement and Modernization Act of 2003

An Overview Based on Information from Medicare's Website & "The Medicare Road Show" presented by Families USA

By Sarah K. Weinberg, MD

In November 2003, Congress passed, and with much fanfare, President Bush signed into law, a long-awaited piece of legislation to provide Medicare enrollees a prescription drug benefit. There is nothing simple about this law:

- its title (see above)
- its length (700+ pages)
- regulations now being written to implement it (thousands of pages)
- the complexity of the prescription drug benefit choices presented to Medicare enrollees
- its subsidization of the pharmaceutical industry (estimated by at least one group to be \$140 billion dollars in increased profits from increased business and prohibitions both against price negotiation and re-importation of drugs from Canada)
- its subsidization of the health insurance industry (from subsidized premiums for Medicare enrollees who select private HMOs, and government risk sharing with the private HMOs)



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Health Care for All - Washington advocates for affordable comprehensive health care coverage for all Washington residents implemented through a unified financing system.

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CONFERENCE ANNOUNCEMENT

Quality Health Care: "It's Everybody's Right!"

Saturday, May 22, 2004 at Plymouth Congregational Church

- Rep. Jesse Jackson, Jr., keynote speaker
- Candidates for Governor present their health plans
- Health care experts discuss the new Medicare "reform" law and the health policies of George Bush and John Kerry.
- Presentations of several approaches to making universal health coverage a reality.

Lunch is provided! A rally will follow at Westlake Park. See the enclosed flyer for more information. Sponsored by Health Care for All - Washington and Puget Sound Alliance for Retired Americans.



Health Care for All- Washington

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Message from Our President

Carolyn Apel

During a recent presentation I gave to a group from the American Medical Student Association, I was asked what I thought about the differences between the Canadian and U.S. health care systems. I told them that Canada has a good system but it is underfunded, and in the U.S. there is no system. It is not a system when our citizens cross the border to see Canadian doctors, and when we are dependent on other nations for affordable medications.

Recently, a family called me in crisis: their daughter was in the midst of a mental breakdown. They had no health insurance or money, and wanted help from the Helpline. I told them to take their daughter to the Emergency Room at Harborview Hospital. Later, a doctor from Harborview yelled at me for sending yet another uninsured person to the ER. He said there is always a waiting line just to get into the Harborview ER. His comment was funny and sad at the same time. How humorous and tragic to be told we can't send an American to an American ER, especially since the ER is the only place where uninsured patients can go for medical care. About 15% of the people seen in the ER are using it as a place to get primary health care needs met - things like a sore throat. And now the number of uninsured Americans equals the populations of Pennsylvania, Michigan, Illinois, and North Carolina *combined!*

We at Health Care for All Washington continue to fight for universal health coverage. We are pushing forward with the Health Care is a Right Resolution in Seattle. We presented health care platforms at our political party caucuses. We continually give testimonials to the media to get more exposure for the problem and to put pressure on our legislators. We helped KING 5 present a TV news report about Americans and drug purchases from Canada. Our legislative committee went to Olympia several times during the recent session to keep up the pressure on our legislators. We are co-sponsoring a conference in May (see the flyer and sign-up sheet enclosed). We expect some legislators and candidates for Governor to be there.

And, please remember, we are thankful to all of our members for the financial support you contribute. Keep the donations coming! Without you we could not keep up the good fight.

Thank you,
Carolyn



• “And now the number of
• uninsured Americans
• equals the populations of
• Pennsylvania, Michigan,
• Illinois, and North
• Carolina *combined!*”

Membership/Outreach

by Ruth Knagenhjelm, Chair

We are happy to report that our database of supporters is now well organized. We can now identify the legislative district for nearly everyone, and generate lists of supporters by legislative district. Our list is mostly limited to those who have supported us with financial contributions or volunteer efforts and pledges, and all are rewarded by receiving newsletters.

We have a skeleton for a phone tree in each legislative district to be used to contact those supporters for whom we do not have email addresses. We still need someone to volunteer to chair the phone tree in 32 of the 49 districts in the state. Since most supporters have email and can be contacted from headquarters by blast email, the phone trees are fairly small, and should not be burdensome to chair. List of districts that need chairs: 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 14, 15, 16, 17, 19, 20, 21, 22, 25, 26, 28, 29, 30, 32, 35, 36, 38, 44, 45, 46, 48, and 49. Are you in a district on our list of those needing a phone tree chair? Please contact Ruth Knagenhjelm at georgiaboy@qwest.net or (206)242-3606.

We are now in a position to get a message quickly and cheaply to all our supporters with email addresses and by telephone to those with telephone numbers only in the 17 districts with phone tree chairs. Given the highly charged political atmosphere with this year's presidential election, one never knows what opportunity for action may suddenly come up. Remember that power in numbers is the only way to win over those with huge financial advantages!

Legislative Committee

by Paul & Mary Margaret Pruitt

Health care concerns were priorities for some legislators in the 2004 session, however, no legislation was introduced to achieve, or even study, universal health care with centralized funding. And some bills supported by Health Care for All - Washington did not pass. An optimist has said: "The impossible just takes longer to accomplish."

HB 2469 would have allowed some state agencies to purchase medications from reliable Canadian sources. This bill passed in the House but not in the Senate.

HB 1828 would have required that health insurance policies cover the cost of mental health care at the same rate as the costs of medical and surgical care. This bill also failed.

HB 2785 would have helped to cover more low income employed persons, but did not pass.

Medicaid enrollment has dropped about 20,000 since October 2003, mostly as a result of the hassle factor of new income verification paperwork. The 2004 Legislature added a \$10/month premium per child for families with incomes from 100-200% Federal Poverty Level (FPL), and \$15/month/child for families from 200-250% FPL. The state expects to "save" \$23.4 million over the next 2 years, of which \$8.3 million will come from families who fail to enroll in Medicaid as a result of these requirements.

Our present strategy toward affordable, quality health care for all Washington residents is to build more broad-based support around the state with these three projects:

- A conference, "Quality Health Care: It's Everybody's Right!" on Saturday, May 22, 2004 (see flyer).
- Gathering signatures for PSARA's petition to the Seattle City

Helpline Committee

by Carolyn Apel, Chair

The Helpline continues to be busy—a reflection of the tremendous need for access to health care. We get a lot of heart-breaking calls. For example: single moms who are afraid to buy their medications because they are afraid their kids will go hungry. We are able to help by telling them how to buy their prescription medications from Canada. The Canadian pharmacies will mail medications to anyone anywhere in the U.S. We do get calls from all over the country.

If you know anyone who needs our help, please contact us. We maintain a database of Canadian doctors in all fields, including dentistry, who will see Americans for a fraction of the cost here. We also have a list of organizations one can join which make affordable medical insurance available to their members. Lots of people are joining organizations such as Chambers of Commerce just to buy their group plans. We also have a list of some low cost local mental health counselors.

Please contact me by email at: carolyn_apel@hotmail.com. Be sure to put the words HEALTH CARE in the subject line. You can also contact the Helpline through the HCFA-WA numbers: (206)323-3373 or (877)903-9723.



Council declaring that "Every person in the United States should have the right to health care of equal high quality. The Congress should immediately enact legislation to implement this right."

- Inviting each of the announced candidates for Governor to submit a two-page statement on health policy, including access, affordability, and universality. We will publish what we receive.

Health Care Access Resolution Introduced in Congress

Endorsed by HCFA-WA

The Board of Directors of Health Care for All – Washington voted unanimously to endorse the Health Care Access Resolution at its meeting on December 13, 2003. We have signed the letter to members of Congress drafted by the Bridging Coalitions group, a coalition of health care, civil rights, and religious organizations. The Health Care Access Resolution has been introduced in both houses of Congress (House Concurrent Resolution 99 and Senate Concurrent Resolution 41). The wording of the resolution (deleting the *Whereases*) follows:

Now, therefore, be it resolved by the House of Representatives (the Senate concurring), that the Congress shall enact legislation by October 2005 to guarantee that every person in the United States, regardless of income, age, or employment or health status, has access to health care that –

1. is **affordable** to individuals and families, businesses and taxpayers and that removes financial barriers to needed care;
2. is as **cost efficient** as possible, spending the maximum amount of dollars on direct patient care;
3. provides **comprehensive** benefits, including benefits for mental health and long term care services;
4. promotes **prevention** and **early intervention**;
5. includes **parity** for mental health and other services;
6. **eliminates disparities** in access to quality health care;
7. addresses the needs of people with **special health care needs** and **underserved populations** in rural and urban areas;
8. promotes **quality** and better health outcomes;
9. addresses the need to have **adequate numbers of qualified health care caregivers**, practitioners, and providers to guarantee **timely access** to quality care;
10. provides **adequate** and **timely payments** in order to guarantee access to providers;
11. fosters a **strong network** of health care facilities, including safety net providers;
12. ensures **continuity** of coverage and continuity of care;
13. maximizes **consumer choice** of health care providers and practitioners; and
14. is **easy** for patients, providers and practitioners to use and reduces paperwork.

What you can do to help:

1. Follow the progress of the campaign on the website of Universal Health Care Action Network (UHCAN) at www.uhcan.org.
2. Take a copy of the resolution to your favorite organization to explore the possibility of additional organizational endorsements.
3. Write your senators and representative urging them to co-sponsor the resolution.

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HCFA-WA Speakers at League of Women Voters Meetings

By Susan Eidenschink

Four members of Health Care for All - Washington gave presentations and answered questions at the February Unit Meetings of the Tacoma League of Women Voters. The Tacoma chapter had decided to devote one unit to health care policy as part of the process of reviewing the League's positions. Sherry Weinberg, Vice President, Mary Margaret and Paul Pruitt, Co-Chairs of the Legislative Committee, and

Bob Fithian, Board Member each spoke at a unit meeting in private homes in the Tacoma area.

Our members were enthusiastically received, and the audience was knowledgeable and full of questions. We hope that meetings like these will help spread the word that universal health coverage IS affordable and achievable in Washington state and the U.S.

CUTTING THROUGH THE FOG

Exposing the False Arguments Against Unified Health Insurance

by Richard Bard, Board Member

The primary opposition to unifying our health insurance system in order to cover all Americans comes from those vested in the existing private insurance bureaucracy. Their resistance is understandable. What is hard to understand is why so many Americans accept their claims that reform will bring us to ruin, when just the opposite is true.

Let's look at the merits of the most common arguments.

“We'll lose our choice of doctors or hospitals.”

This is simply false. There are many universal health coverage plans already in place around the world from which we can use the best features in designing an American system. Many include free choice of provider. Since Americans that choice very highly, we will obviously include it.

“Other countries with national health insurance provide poor medical care.”

We see much media coverage of long waits for special elective services elsewhere, but little discussion of the successes these nations have in providing medically necessary care for every citizen when needed. Waits for elective procedures result from less investment in expensive technology. In the U.S. we already have so much of this technology in place that there will be no need for any waiting for any medically necessary procedure, not because of our obsolete, wasteful health insurance system, but because we have a lot more money to spend.

In fact, it is the U.S. that suffers in a comparison of health care quality. Several dozen other countries with universal coverage have better health statistics (infant death rates, life expectancy, etc.) and spend far less money per capita than we do. Considering we live in the richest country on earth, this is a fairly spectacular failure. Canada spends about \$2,500 per person per year to provide health care for everyone, while the U.S. spends \$5,000 per person per year – and we still don't cover more than 40 million people! European nations spend even less per capita, with better health statistics than Canada.

We believe we have the best health system in the world. We don't. Some aspects are excellent, but overall it is an inferior product, rated down at 37th

among all other countries by the World Health Organization. We should and can do better.

“National health insurance will lead us into enterprise-stifling socialism.”

Our current system is hardly a shining free-market example. Government already pays half the health care cost in this country, much of it to shore up the inadequate competitive private system. It covers many who otherwise couldn't afford care, through Medicare and Medicaid; it helps pay premiums for those serving in the military, for veterans, and for other government employees; and it funds research arms such as the National Institutes of Health. These programs are paid for by our taxes, while the revenues all flow to the private sector.

Medicare, our closest thing to a national health plan, far outperforms the private insurance system in terms of administrative efficiency. Right now, a large chunk of our health dollars is diverted to advertising, dividend payments into the stock market, and redundant accounting. Meanwhile, ill and injured people are being turned away from the emergency rooms

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From Jim & June L., Washington State, November 2003:

“We dropped our BIAW [union] health insurance as we turned 60 when the monthly premium went from \$560 to \$960. We purchased a policy with a \$1,500 deductible and no coverage for prescription drugs, eyeglasses, or dental care for \$444/month. Now we are 63 and the premium has risen to \$772/month. We still have two more years to go before we reach Medicare age! Soon we will have to drop health insurance altogether and either die or go bankrupt if a major problem occurs.

“We buy our drugs in Canada, and we also get our dental care there. Our government responds by trying to cut off our access to less expensive Canadian drugs and by doing nothing to slow the skyrocketing cost of health insurance. Does anybody care?”

(Medicare Prescriptions, continued)

- its subsidization of employers (through tax incentives to encourage employers to continue drug coverage for retirees).

This law is the biggest change in Medicare since its start in 1965. It involves much more than just a prescription drug benefit, although that is the feature that has attracted the most public attention, and that the law’s proponents hope will generate the most political benefit for those who supported it.

The prescription drug benefit in a nutshell

Between May 2004 and the end of 2005, private companies can be approved by Medicare to market “drug discount cards”. Medicare enrollees may choose one card or decline to participate. The cards will differ in cost of premium, list of covered drugs, size of discount, and drug price against which the discount is calculated. Once the enrollee has chosen a particular card, he/she is *locked into that card for one year*. The card’s sponsor, however, can *change the listed drugs, change the prices, and change the discount rates every 7 days!* Medicare’s website estimates the “savings” at 10-25%, but these would presumably be applied to the full American retail prices. (Purchasing drugs from Canada, by comparison, is likely to save 40-70%.)

Starting in 2006, the broader prescription drug program will begin. Its features:

- At least \$420/year premium paid by the enrollee to participate, increasing to \$696 by 2013, and with penalties for joining the program late
- \$250 deductible, increasing each year to \$445 by 2013
- From \$250 to \$2,250 in drug costs, Medicare will pay 75% and the enrollee 25%. The upper limit rises to \$4,000 by 2013
- From \$2,250 to about \$5,000, the enrollee pays 100% (the “donut hole”). This hole gradually enlarges by 2013
- After about \$5,000, the “catastrophic threshold”, Medicare pays 95% and the enrollee 5%. This threshold increases to about \$9,000 by 2013.

Other features of the bill

Related to the prescription drug benefit:

- Support for the poorest enrollees: no premium, no

deductible, no donut hole, \$2-5 co-pay. However, there is a stringent assets test: more than about \$6,000 in assets disqualifies a person no matter how low the income.

- Medicare is specifically prohibited from negotiating prices directly with drug companies (as the VA and some states do so successfully now)
- Reimportation of drugs from Canada or other nations is prohibited unless the Secretary of Health and Human Services states it is “safe” to do so - and the current Secretary has stated he will not so state
- Employers will receive a subsidy to encourage them to continue to provide prescription drug benefits for their retirees

Not directly related to drug benefits:

- Subsidies to private insurance companies, which have already begun, to encourage them to offer Medicare HMO plans (renamed Medicare Advantage)
- Tax incentives to encourage those with enough discretionary funds to set up medical savings accounts with back-up catastrophic insurance coverage, thus removing people who are financially well off from the Medicare program.

Summary

This new law is now estimated to cost the taxpayers \$534 billion over the next 10 years. Best guess estimates are that only the very poor will benefit by actually paying less for their prescription drugs than they do now. Most seniors, both sick and well, will do better financially by ordering drugs from Canada or participating in other reduced price purchasing plans already available.

Since seniors will not see much of the \$534 billion in the form of savings for them, where is the

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Book Review

The Rise and Fall of Modern Medicine, by James Le Fanu, M.D.

This well-written book traces the spectacular discoveries that have revolutionized medical care, especially in the period from 1940 through about 1984. The author then addresses why the rate of new discoveries has dropped off precipitously since then, and uses this decline to explain much of our

current malaise, which he labels “the four-layered paradox of modern medicine”: disillusioned doctors, the worried well, the soaring popularity of alternative medicine, and the spiraling costs of health care. Very interesting, and guaranteed to give the reader a new perspective on current health care issues.

(Medicare Prescriptions, continued)

money being spent?

- Subsidies for employers' retiree benefit programs
- Subsidies for Medicare HMOs to allow them to "compete" with the government's program
- Payment by Medicare of full retail prices for the drug benefit, even as limited as it is, estimated to be a \$140 billion windfall in profits for the pharmaceutical industry
- Tax breaks for those, mostly the well-to-do, who set up medical savings accounts.

References

Medicare's official website: www.medicare.gov
Families USA website: www.familiesusa.org

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**For affordable dental care...
go to China!**

From Yunqi, January, 2004:

I'll leave for China next week. It will be just 10 days. I'll fix my teeth over there. If I do it here, it will cost me \$3,000, but in China the same work on my teeth will cost \$200 at most. Ever with the \$450 airline ticket, I will save \$2,300, so it is a very necessary trip!

We Need Your Help

Health Care for All - Washington is in the process of establishing phone trees in each legislative district. We need district organizers/leaders who can call members to update preferred methods of contact (e-mail or telephone). Leaders will serve as liaison to the Board, and will activate the phone trees when needed. The work in each district can be shared – many hands make light work! Call or e-mail Ruth Knagenhjelm at (206) 242-3606 or georgiaboy@qwest.net.

Health Care for All—Washington remains, as always, an all-volunteer organization. Our board and committee members and volunteers donate literally thousands of hours each year to make universal health care a reality in Washington State. However, to provide each of our 2,000 members and supporters with kits, buttons, bumper stickers, and surveys to distribute to all their neighbors, friends, and candidates requires money.

Our success will depend on the continuing generous support of our members and supporters.

..... **Clip out and mail to:**

Health Care For All Washington ● P.O. Box 30506 Seattle, WA ● 98113-0506

I enclose a membership donation of \$1,000 \$500 \$250 \$100 \$50 _____ other

Credit Card No. _____ exp. date: _____

VISA Mastercard Signature: _____

Name _____ Phone (day) _____

Address _____ Phone (eve) _____

City _____ State _____ Zip _____ State Legislative District _____

Fax _____ e-mail _____

Occupation if donation is over \$100: _____ Employer _____

I'd like to help with:

- Gathering Signatures Fundraising Phone Data Entry/Office help Producing Fliers Publicity

(Fog, continued)

they're forced to use as their last chance for medical care. You don't have to be a socialist to think there's something drastically wrong with this picture.

Many other countries with national health insurance have vibrant free market economies. They also have surveys showing strong majority satisfaction with their public systems, and almost no support for a return to the inequities of ours.

“Taxes will go through the roof in order to cover everyone.”

A recent Harvard study showed there would be enough administrative savings in converting to a national health plan that we could cover all the uninsured with no overall increase in cost. Earlier studies have reached the same conclusion. To support a state-wide or nation-wide unified health plan, taxes would indeed be needed. However, they would be more than offset by the savings to ourselves and our employers who would no longer have to pay health insurance premiums.

Many of those who are insured through their employers believe that their health insurance is “free” – a gift from their employers. It is not. Employers take this expense into account when they set wage levels. In that sense, it is deducted from what would

otherwise be a higher wage rate. The actual benefit is that large employers can negotiate discounts with insurance companies that individuals (and small employers) cannot. Everyone needs health coverage – is it fair for some to have to pay more because of lack of bargaining power? In addition, the 44 million Americans who don't have insurance are not paying into the system. A tax-based system would collect less money per person, but would collect from everyone except the poorest among us.

Most Americans are dependent on employer-provided health insurance. That puts us at risk for:

- An employer who cuts health insurance benefits
- Employer-offered plans that are too expensive
- Loss of job
- Being unable to change jobs because of possible loss of benefits
- Retiring and having the employer stop providing health insurance to retirees

A unified health insurance program will cover everyone all the time, regardless of age, health or employment status. By declaring that everyone's health matters to us, we will show that we care about improving the lives of all our community members. In our current combative national atmosphere, such a move would be a monumental change for the better.

Health Care for All-Washington

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dba HealthCare 2000, and Washington Single-Payer Action Network

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Health Care For All-Washington is a statewide, all-volunteer coalition working to replace the current innadequate health care system with a universal, “single-payer” health care system. We feel that if countries possessing only a fraction of our wealth can have a successful universal health care system, so can we. Among our ranks, you will find patients, health care professionals, youths, seniors, insured, and uninsured.