

*Review & Commentary on Health Policy Issues from a Rural Perspective - July 1<sup>st</sup>, 2000*

***What America Thinks About The Uninsured***

“A new survey by The NewsHour with Jim Lehrer and the Kaiser Family Foundation provides the first data for 2000 on the problem of the uninsured. The survey reveals the problems people without health insurance experience and shows continuing difficulty reaching a public consensus on the best way to solve the problem. The survey finds that the majority of the uninsured have been without health insurance for more than two years and that the uninsured are much less likely to get care than people with health insurance. The complete survey is available at <www.pbs.org>.”

***Americans' Perceptions of the Uninsured***

“The majority of the public does not have a good understanding of who the uninsured are. Fifty-seven percent of Americans incorrectly say that the majority of the uninsured are unemployed or from families where no one works. In fact, more than 80% of the uninsured are workers or their dependents; 61% of uninsured adults under age 65 work full or part time.”

“But Americans do recognize many of the troubles the uninsured have getting care. More than 6 in 10 Americans know that:

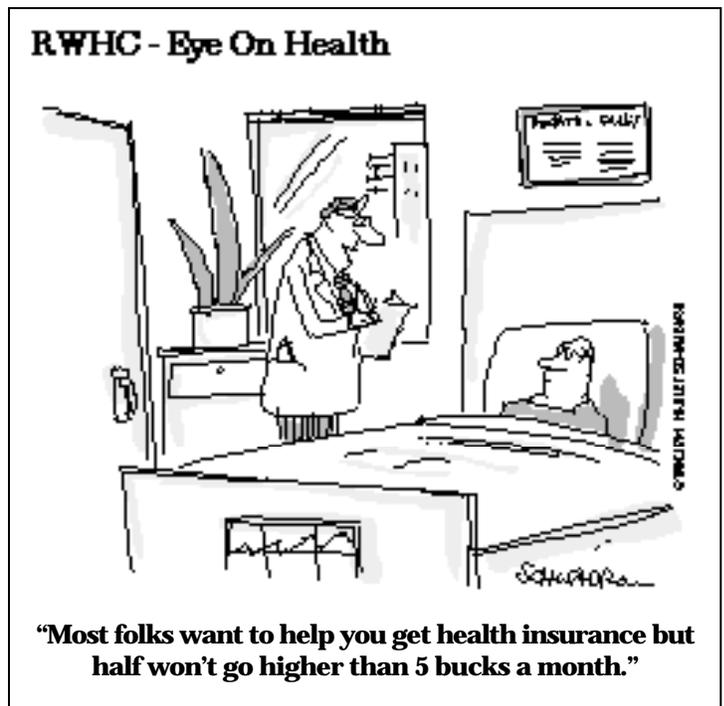
- the uninsured are less likely than the insured to have had a recent physician visit (74%)
- the uninsured are less likely than the insured to have a regular source for medical care (68%)
- the uninsured are more likely than the insured to put off or postpone seeking medical care (65%)
- the uninsured are less likely than the insured to get needed medical care (64%)
- the uninsured are less likely than the insured to use preventive health services (62%).”

“But less than half of Americans know that:

- the uninsured are more likely than the insured to have hospital or emergency room visits that could have been avoided (45%)
- the uninsured are more likely than the insured to have health problems (43%).”

***What Should Be Done about the Problem?***

“A majority of Americans favor the status quo when asked to chose between maintaining the current employment based health insurance system or switching to a system of tax credits or subsidies for individuals. The majority (54%) favor building on the current system in which employers contribute to their employees' health insurance and the government covers the cost of insurance for the poor and unemployed, but 39% favor switching to a system in which all individuals would buy their own health insurance but would receive a tax credit or subsidy.”



“While the public expresses a high level of support for a broad range of policy options that would provide insurance for the uninsured, when asked to choose the best option, no single approach attracts widespread support. **Over half of all Americans say they favor expanding state programs for low-income people** such as Medicaid and the Children’s Health Insurance Program (78%), a new law requiring businesses to offer private health insurance for their employees (77%), offering the uninsured tax deductions, tax credits, or other financial assistance to help them purchase private health insurance on their own (74%), and expanding Medicare to cover people under 65 without health insurance (67%). In addition, more than 4 in 10 Americans favor a national health plan (44%).”

“**However, no strong consensus emerges when Americans are asked to choose among options:** 21% pick a national health plan; 21% favor requiring businesses to offer private health insurance; 21% choose expanding state government programs for low-income people; 20% pick offering financial assistance to the uninsured to help them purchase private health insurance; and 14% pick expanding Medicare.”

“**Plans to cover more children attract majority support.** Nearly 6 in 10 (57%) Americans favor requiring parents to buy health insurance for their children and providing low and moderate income families tax refunds or subsidies to help them pay for it, with the understanding that this would cost the government and taxpayers money. However, 4 in 10 (40%) oppose it. Plans to expand existing programs for children to their parents also attract majority support. Again, 56%

The **Rural Wisconsin Health Cooperative**, begun in 1979, intends to be a catalyst for regional collaboration, an aggressive and creative force on behalf of rural communities and rural health. RWHC promotes the preservation and furthers the development of a coordinated system of rural health care which provides both quality and efficient care in settings that best meet the needs of rural residents in a manner consistent with their community values.

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of Americans favor the idea of expanding Medicaid and the Children’s Health Insurance Program to cover uninsured parents of eligible children even though it would cost the government and taxpayers money, but around 4 in 10 (41%) oppose it.”

**“Willingness to pay remains one of the toughest obstacles to providing insurance for the uninsured:**

- Nearly eight in ten (79%) Americans say they are willing to pay to provide coverage for the uninsured.
- Fifty-three percent of Americans say they are willing to pay a substantial amount more per month in higher premiums or taxes to cover the uninsured (41% were willing to pay \$50 per month more and another 12% were willing to pay \$30).
- However, 46% were willing to pay only \$5 a month more (26%) or not willing to pay more (20%).”

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*A Major Unknown Resource For Uninsured*

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From <http://www.needymeds.com>

“Many pharmaceutical manufacturers have special programs to assist people who can't afford to buy the drugs they need. One problem is that it's often hard to learn about these programs. Our goal is to make this information easily accessible. Each company has its own program with its special requirements, forms, and procedures. Actually, some companies have different programs for different drugs. There is no central clearinghouse for obtaining up-to-date information about these programs or the drugs themselves.”

“Most pharmaceutical companies will send their application forms only to a physician's office, and usually only at the request of the physician or his/her representative. Policies vary from company to company. Some companies publicize their programs, others do everything they can to hide theirs.”

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*The Election Needs To Be About Governing*

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From “How Would Gore Govern? How Would Bush?” by Norman Ornstein in *USA Today*, 6/8/00:

“In an insightful new book called *The Presidential Difference*, Princeton political scientist Fred Green-

stein makes the case for 'emotional intelligence' as a key component for successful governing. It matters whether a candidate advocates choice or opposes abortion, wants a big tax cut, a small tax cut or no tax cut at all. But strongly held issue positions tell us little about what actually can get enacted into law."

"To get there, we need to ask the next round of questions, starting with: Will a candidate's strongly held positions be rigid impediments to compromise, or crafty starting points for genuine policy movement?"

"We learned that Bush has indeed been a pragmatic, bipartisan problem-solver as governor--but we also learned that his enthusiasm about issues was episodic, ranging from intense interest in education to virtual disinterest in health. And it became clear that while Bush was extraordinarily successful at engaging Democrats in the Texas legislature, most of those Texas Democrats resemble national Republicans in ideology more than congressional Democrats."

"We learned that Al Gore was a wide-ranging, activist legislator during his years in the House and Senate. In some areas, such as global warming, the information superhighway and missiles, he was a clear opinion leader, forcing issues onto the national agenda, sometimes with bipartisan support. He could take tough positions against a majority of his party--for example, in support of the Gulf War. But he was not known for his ability to build legislative coalitions, and was viewed by some of his colleagues as aloof, holier-than-thou and occasionally quite partisan."

"There is much to admire in both Bush and Gore and much to be encouraged about. But there is also much we just don't know about each man's ability to lead, set priorities, negotiate in a tough and treacherous political environment, and run a government in rapidly changing times."

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### *Putting Unfair Medicare Payments On Table*

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From "Statements On Introduced Bills And Joint Resolutions" (U.S. Senate - May 23, 2000):

"Mr. HARKIN. 'Mr. President, I am pleased to be joined today by my colleagues, Senator Thomas, Senator Craig and Senator Feingold (and subsequently Senator Kohl) to introduce the 'Medicare Fairness in Reimbursement Act of 2000.' This legislation addresses the terrible unfairness that exists today in Medicare payment policy."

"According to the latest Medicare figures, Medicare payments per beneficiary by state of residence ranged from slightly more than \$3,000 to well in excess of \$6,500. For example, in Iowa, the average Medicare payment was \$3,456, nearly a third less than the national average of \$5,034. In Wyoming the situation is worse, with an average payment of approximately \$3,200."

"This payment inequity is unfair to seniors in Iowa and Wyoming, and it is unfair to rural beneficiaries everywhere. The citizens of my home state pay the same Medicare payroll taxes required of every American taxpayer. Yet they get dramatically less in return."

"Ironically, rural citizens are not penalized by the Medicare program because they practice inefficient, high cost medicine. The opposite is true. The low payment rates received in rural areas are in large part a result of their historic conservative practice of health care. In the early 1980's rural states' lower-than-average costs were used to justify lower payment rates, and Medicare's payment policies since that time have only widened the gap between low- and high-cost states."

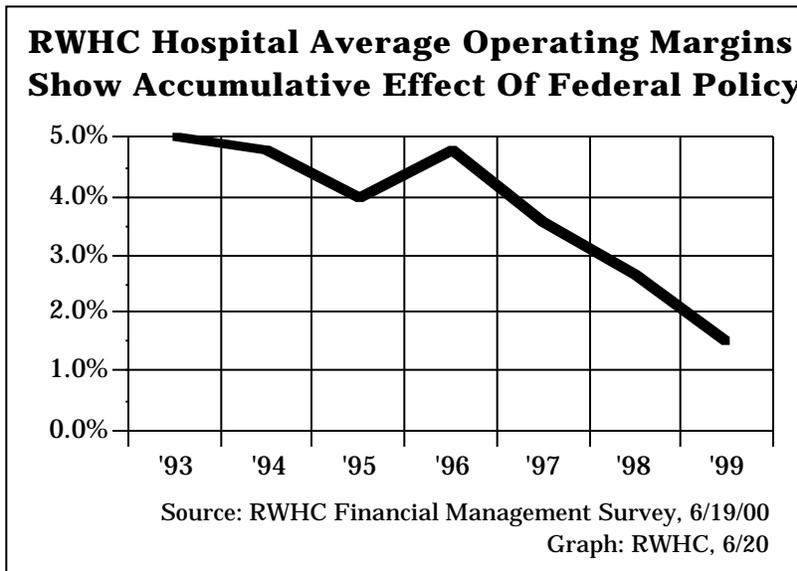
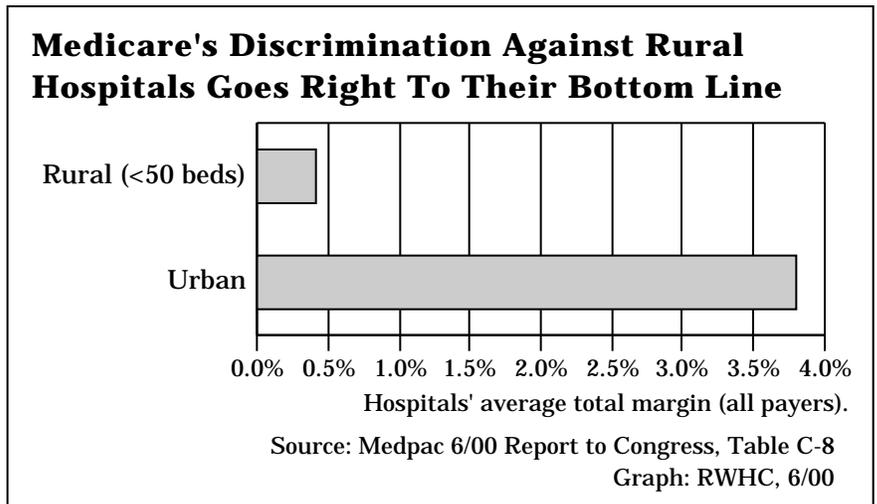
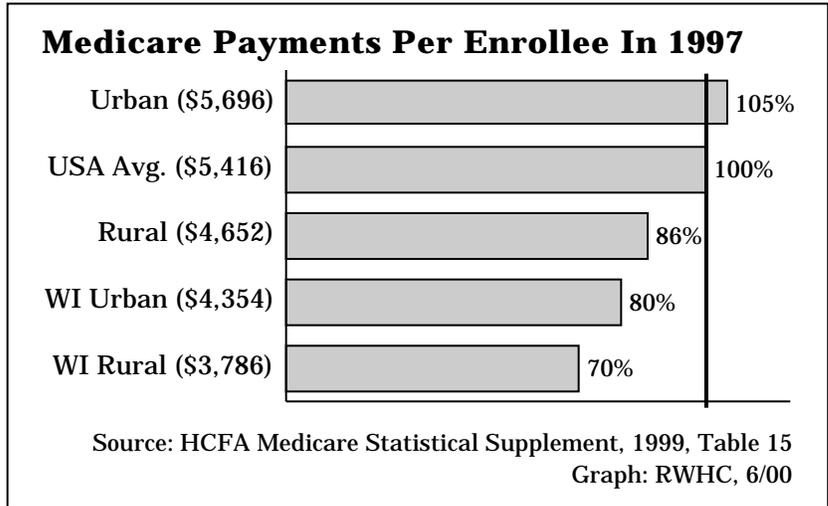
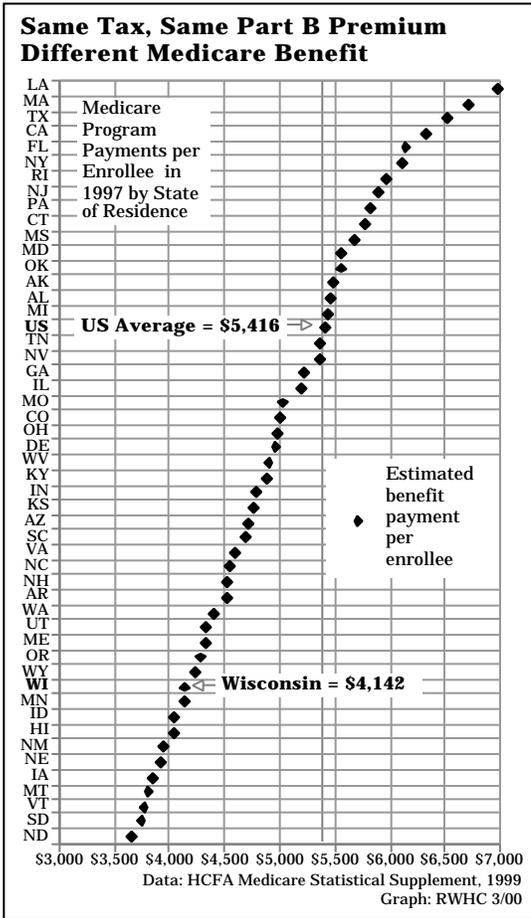
"Mr. President, late last year I wrote to the Health Care Financing Administration (HCFA) and I asked them a simple question. I asked their actuaries to estimate for me the impact on Medicare's Trust Funds, which at that time were scheduled to go bankrupt in 2015, if average Medicare payments to all states were the same as Iowa's."

"I've always thought Iowa's reimbursement level was low. But HCFA's answer surprised even me. The actuaries found that if all states were reimbursed at the same rate as Iowa, Medicare would be solvent for at least 75 years, 60 years beyond their projections."

"I'm not suggesting that all states should be brought down to Iowa's level. But there is no question that the long-term solvency of the Medicare program is of serious national concern. As Congress considers ways to strengthen and modernize the Medicare program, the issue of unfair payment rates needs to be on the table."

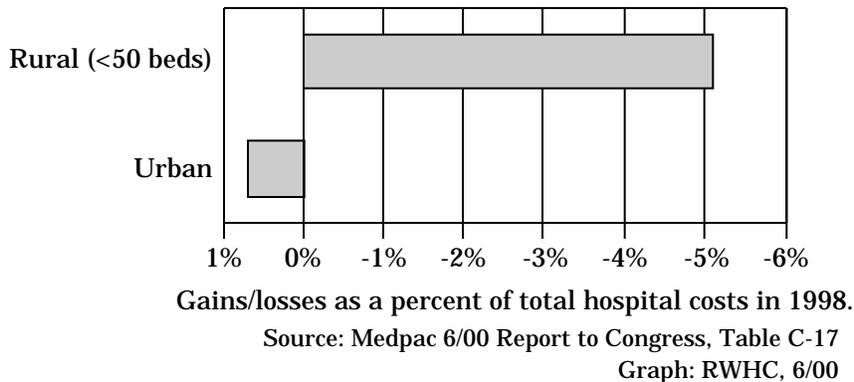
"The bill we are introducing today, the 'Medicare Fairness in Reimbursement Act of 2000' sends a clear signal. These historic wrongs must be righted. Before any Medicare reform bill passes Congress, I intend to make sure that rural beneficiaries are guaranteed access to the same quality health care services of their urban counterparts." (The full text of the bill as introduced is at <<http://thomas.loc.gov>>.)

**Rural & Regional Resource Inequities :**

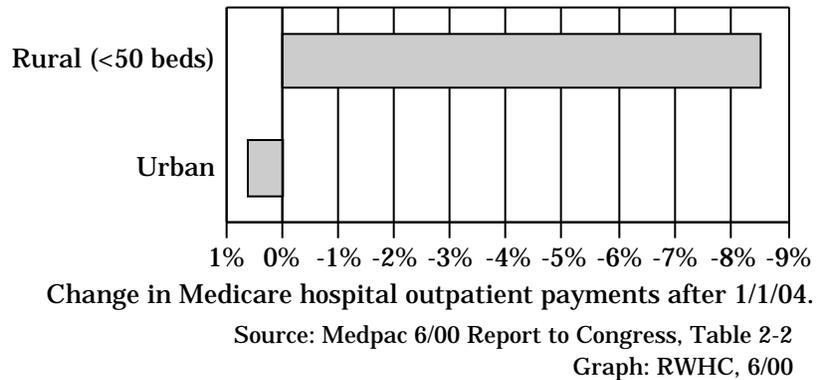


**Three Key Questions :**

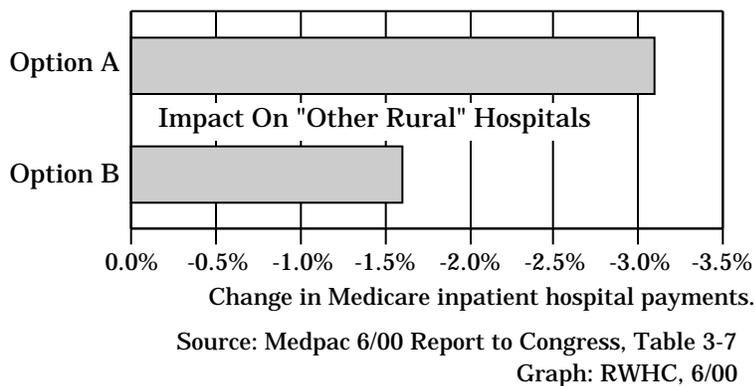
**Who Advocates For Medicare Paying Rural Hospitals The Same Percent Of Costs As Urban?**



**Who Advocates For Keeping The Medicare Outpatient PPS "Hold Harmless" Provision?**



**Who Advocates For Rural When "Refined" DRGs Are Proposed To Be "Budget Neutral"?**



**The Right Answer Is The  
National Rural Health  
Association**

**Call today for a  
Membership Application  
at 816-756-3140.**

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## *The Hedgehog and the Fox*

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From "Arguing Rural Health" by Thomas C. Ricketts, Ph.D., Director of the North Carolina Rural Health Research and Policy Analysis Program at the University of North Carolina given as a keynote address at the Wisconsin Rural Health Association's Annual Conference in Wisconsin Rapids, 4/27/00:

"The usual justification for different treatment of rural places has been one of relative need. Need has been thought of as variations in distribution in most cases. But the easy way to count the need is with the resources rather than the outcomes. Variations in the distribution of needs based on health status and disease often challenge us into silence when it comes time to argue why we ought to do something. 'It's their fault, they're sicker,' is an oft-heard comment when you see difference in health status."

"In rural health policy, we have been trying to show where we are most different from the rest of America and we've done it with data that describes the docs, the hospitals, the clinics and the payment rates. But all we've really done is describe how different we are in means when we really want to talk about ends."

"If we concentrate on differences in means, we tend to move ourselves away from the rest of the country. **I think we ought to begin to emphasize how we share problems in ends and outcomes with the remainder of the nation to enlist more help in changing the differences.**"

"The geographic division we are creating in health policy militates against the unity which should be the goal of a program like Medicare. It is interesting that Medicare, which charges the same premium for physician service to everyone, whether rich or poor, which offers the same benefits to everyone, rich or poor, should structure its treatment of the people who must care for these beneficiaries on the basis of efficiency rather than equality. This is one divide: efficiency versus equality."

"Another divide is the us-them duality of people in the center and those toward the periphery. Urban and rural is one way to see it, but it's a little more complex than that because there's more than just geography that marginalizes people. The Medicare system has created this sense of a divide for hospital payments."

"Highlighting divisions, sometimes called diversity, in one sense is an effective way for a mistreated minority to capture attention and make a claim. In another sense it can make things worse, especially when the minority is more or less permanent--a characteristic of rural America few would argue against."

"Divisions in society and politics demand well-demarcated boundaries, and here, again, we--the rural advocates--are falling into a trap. I spend far too much of my time as a researcher dealing with the question of 'what is rural?' or 'what is frontier?' as the minority claimants for special treatment seek to maximize their benefits or to make a new, even more special claim. This is fine for a number of people, but are we looking at the long term effects of this kind of division where isolation of all rural people and programs in a 'special,' separate but unequal world may be the unintended result."

"I have recently been reading a number of essays by the late Isaiah Berlin, a well known social commentator in Britain who was a bit too pragmatic for Americans used to more idealistic national philosophy. He was admired in Britain and ignored in the US largely because he could talk entertainingly and eloquently about the European paradox of pragmatic national policy merged with idealistic domestic policy. He described Britain as pragmatic, sloughing off empire and seeking political accommodation with Europe and America while installing an idealistic national health service."

"In the United States we present the opposite paradox, we have a very idealistic national philosophy that includes world moral leadership, democratic and human rights for all but combines that with very pragmatic and complex domestic programs. Medicaid and Medicare being the prime examples. The idealism of the National Health Service, like many utopian plans, has not been a panacea, far from it, but in reality it is an accepted, even cherished system loved much more for its fairness than its efficiency."

"If we, as rural advocates push for some form of ideal separation of rural from urban and make a specific and detailed justification for special treatment, I think we are in for the inevitable fate of all utopias and elaborate plans, a system that doesn't and cannot achieve its goals. We (and the 'we' will include other 'special'--read, 'underserved' populations) will have a health system as efficient as the British NHS but with none of its ameliorating fairness while the rest of the nation benefits from the market efficiencies that come with casting away the inefficient."

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## Rural/Urban Differences Vary Substantially

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From "Rural/Urban Differences in Health Care Are Not Uniform Across States" by Barbara A. Ormond et al in a policy paper from the Urban Institute.

"Rural populations are generally older, poorer, and have lower levels of education than their urban counterparts. There are far fewer hospitals and physicians in rural communities; the time it takes to travel to health care providers is often greater and public transportation less available."

"Although policymakers need to understand the differences that exist between rural and urban areas within state borders in order to design effective policies, most national data sets containing the relevant health care information do not allow for this type of substate geographic analysis. This information gap can be filled in part by the Urban Institute's Assessing the New Federalism (ANF) study. Of the ANF states, only eight have substantial rural populations; this brief presents state-level data for these states--Alabama, Colorado, Michigan, Minnesota, Mississippi, Texas, Washington, and Wisconsin."

"When viewed from the perspective of the individual study states, these data suggest that, in certain states, there is a convergence of problems facing rural residents. In Alabama, Mississippi, and Washington, people in rural areas were significantly more likely than urban residents to be in fair or poor health and uninsured and significantly less likely than urban residents to visit a health care provider or be confident they could get needed care. The problems were more consistently significant in Alabama across both adjacent and nonadjacent counties. In Washington, the problems were strikingly more pronounced in nonadjacent areas, with only reported health status appearing as a significant problem in adjacent counties. In Mississippi, adjacent counties seem to have had a more adverse set of indicators, with the exception that nonadjacent counties had the lowest rates of provider visits within the state."

"The state-specific data reveal that rural-urban differences in access and utilization are not present to the same degree in all of the study states. Rural circumstances in some states are not as severe as the national data suggest, while in other states they are more severe... Despite these state variations in the health care indicators, there were no states in which rural areas had fewer health care problems than urban areas."

"In this sense our call for an ideal and pure **ruralness** will have unintended consequences that can tend to the catastrophic. If we take the position of the hedgehog, to draw on Berlin's famous essay that used Aristophanes fable of the hedgehog and the fox, **by knowing the one BIG thing, that we are rural and special, we may be outwitted by the foxes of the world who know many things and can accommodate themselves to changes and even create the conditions for change.**"

"In the ideal of a purely rural condition we will tend toward an unintended future. Rural particularism is important to build identity to do battle in a political world, but the triumph of particularism is inevitably a minority share and minority treatment. Best to do what Berlin advises and that is to accept a pluralism of values, where we can hold onto the pure and the ideal as long as the practical is not lost."

"I realize that I am getting fairly abstract here but I really mean to be asking for something simple. That we simplify our arguments for fair treatment in national programs like Medicare based on our common geographic heritage and political position as Americans. I think we should argue that we are asking for the share of the community's compassion when things are not as they should be in the rural places that are losing population and cannot support decent school systems out of local tax revenues. To be 'given' a doctor or a program that treats the effects of that national neglect is not a triumph, it is a necessary first step in our nation's responsibilities to its fellow citizens."



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## The Wisconsin Healthy Heart Diet

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From "Effect Of Beer Drinking On Risk Of Myocardial Infarction" by Martin Bobak et al, British Medical Journal, 20/5/00 at <www.bmj.com>:

"Many studies have shown an inverse association between alcohol consumption and coronary heart disease, with a possible flattening at higher consumption levels. It remains unclear, however, whether the protective effect is confined to specific beverages (such as red wine) or relates to ethanol. This question is complicated because wine drinkers may differ from people drinking other beverages or have a different drinking pattern. We addressed this issue by conducting a study in the Czech Republic, a predominantly beer drinking country, and by restricting the analyses to people who did not drink wine or spirits."

"We conducted a population based case-control study in five Czech districts... The analyses were restricted to non-drinkers and 'exclusive' beer drinkers (men who typically do not drink wine or spirits). Participants reported the frequency of drinking any alcohol (never; less than once a month; once or twice a month; several times a week; almost daily or daily; and twice a day or more often). Participants were categorised

into four groups according to their average weekly intake of beer: less than 0.5 liters and non-drinkers; 0.5-3.9 liters; 4-8.9 liters; and 9 or more liters."

"In this study of beer drinkers, the lowest risk of myocardial infarction was found among men who drank almost daily or daily and who drank 4-8.9 liters of beer a week. There was a suggestion that the protective effect was lost in men who drank twice a day or more. This is a similar result to studies of other beverages."



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