

SEPPIAN ^{Fall Issue}

The newsletter of the Society for The Education of Physicians and Patients

DARING TO TELL THE TRUTH ABOUT HEALTH CARE

Volume 9, Issue 4

Sepplan

Fall—2006

Selling Doctors Out

HSAs and Faith Based Healthcare

A Roundtable discussion on of “Health Savings Account and Faith Based Health Insurance” featuring Rick Cessar and Beth Essey was presented at our August meeting. Insightful comments of the creative potential of individualizing health insurance to accommodate the health interests and priorities of those using high deductible insurance coupled with the powerful tool of Health Savings Accounts were presented. Illustration of how savings could be realized while reducing the number of uninsured and while respecting the values of participants led to lively discussion.



Beth Essey— Human Resource and Benefits Specialist, and Richard Cessar of Marsh and McLennan Companies offer insightful and creative ideas of the future use of the patient empowering concept of Health Savings Accounts

The rhetorical question of the evening: What if the Diocese of Pittsburgh sponsored a health plan for its 800,000 Catholic members? SEE PAGE -2



Medicine for most doctors is really not about the money but soon it will be as we are “dollar-rationed” out of existence. In our last issue we learned from the Association of American Physicians and Surgeons the following

Doctors’ average pay down 7% in 8 years. Of note:

- While the incomes of lawyers and other professionals rose by 7% between 1995 and 2003, the average net income of doctors fell 7% during the same period, according to

a report by the Center for Studying Health System Change.

- Center president Paul Ginsburg said that payments from both Medicare and commercial insurers had lagged behind general inflation, which had reduced the value of the dollar by 21% over this period.
- Lower incomes are resulting in fewer physicians entering primary care.

Recently in an editorial in *The AMA News* Dr. William Plested noted: That Congress needed to act to avoid a 5% pay cut for physician services mandated by the “sustainable growth rate formula” - They never acted.

-today CMS pays us at the same level it did in 2001 and “savings in the Medicare program have been largely at the expense of physicians. It is therefore even more egregious that year after year we are singled out for reimbursement cuts”. This is exactly what has been done in Canada for years. Highlights of the commentary:

- Conscientious physicians find that they must severely limit the number of seniors they care for simply to protect

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the fiscal viability of their practices

- What is unsaid but very clearly understood is that there is an undeniable plan to continue cuts until there is substantial pressure from seniors who cannot access a physician.
- This brings us to another reality in this debate. This year, we were told not only that we would have a 5% cut in January 2007, but that over the next nine years, we would have continued cuts totaling 40%. No one can survive a 40% reduction in income at a time when the fixed cost of providing services increases by at least 20%. If we take the hit and continue to provide services, we will see cuts year after year after year until it is absolutely impossible to continue.
- “we are then told that a freeze next year will cause cuts of 10% to 11% the following year!
- Writes Dr. Plested, “I keep asking myself, “Is this simply an inability to manage this huge entitlement program, or is there, as any reasonable person must perceive, a concerted effort to force physicians to stop caring for their Medicare patients?”

Dr. Plested speaks to an issue that SEPP members and AAPS members have known was inevitable for years. The specter of socialized “more of the same”, “we can do it better for you” government tripe must be exposed and American principles restored. The trend in physicians leaving Medicare speaks to this problem.

Dr. Plested ends with a familiar challenge - “Physicians must lead that debate. Our intimate knowledge of our patients’ needs and the strengths and weaknesses of various delivery systems is critical. I am constantly impressed by how much the American public is depending upon physicians to provide such leadership.”

SEPP appreciates not only the physicians who engage this battle but the non physician allies who realize that all Americans are at risk as freedom in healthcare is eroded. Join with us in protecting our future and our children’s future.

Why It's Time for Faith-Based Health Plans

Excerpt from : “Why It's Time for Faith-Based Health Plans” by Phyllis Berry Myers, Richard Swenson, M.D., Michael O’Dea, and Robert E. Moffit, Ph.D. Heritage Lecture #850, August 24, 2004 | full text at <http://www.heritage.org/Research/HealthCare/hl850.cfm>

DR. RICHARD SWENSON: Our health care system is changing in historically unprecedented ways. This is not new to many of us. The dominant change is out-of-control health care costs. There are probably 20 systemic problems that we are facing right now. Our health care system is the best that history has ever seen, but it is besieged by problems.

Most prominently, our system is besieged by increasingly higher costs. Currently, we are paying \$1.6 trillion. We are adding \$120 billion per year to the health care bill. This is unsustainable. Federal authorities predict that by the year 2012 it will reach \$3.1 trillion. However, it will not, because it cannot. It is impossible, and something is going to happen between now and then.

The cost curve approximates an exponential curve. Very seldom do peoples' intuitive abilities penetrate these exponential cost increases. A physicist once said, "The greatest shortcoming of the human race is their inability to understand the exponential function." Now, I would say there are other shortcomings of the human race that exceed that, but, nevertheless, most ordinary people do not understand vertical curves. They are very dramatic and they are very sudden.

Why is the cost of health care going up? Let me summarize it this way: There are more and more people living longer and longer with more and more chronic diseases, taking more and more medications that are more and more expensive, using more and more technology with higher and higher expectations, in the context of more and more attorneys. All the convergences are simultaneous and the math is exponential. If you do the math, you will see that nothing is self-correcting.

Much of the rising cost that you see is attributed to the success of our health care delivery system. Let's look at the components of this:

- ***There are more and more people...***
- ***People are living longer and longer... Two thousand years ago, the average life expectancy was 21 years. In 1900, it was 47 years. Now it is 77 years. That is an exponential curve. It also represents a success of our health care system.***
- ***There are more and more chronic diseases. One hundred million Americans have some kind of chronic disease. People used to die of these diseases. They do not die of these conditions anymore, largely because of our health care system.***
- ***People are taking more and more medications. New medicines are very expensive, but they do keep people alive. They get them out of the hospital sooner and they keep them from needing to go into the hospital.***
- ***People have higher and higher expectations...***
- ***We have more and more attorneys. In terms of attorneys, litigation, and medical malpractice, the American Medical Association says that its largest legislative priority is the 19 states that are right now in crisis of existing medical malpractice laws: 25 additional states are poised on the brink of crisis.***

[A faith based HSA allows participants to insure for healthcare with the power of HSA linked to high deductible insurance and respect the core values of their faith lives. It also lowers costs by avoiding use of valuable premium dollars for treatments (abortion and related) that violate sacred tenets of personal faith.-Some require a commitment to not using tobacco and other harmful substances-editor]

What can we do to redirect what we finance in health care? We

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Attentive SEPP members showed great interest in the novel variation of HSAs respecting values of faith

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now have Health Savings Accounts (HSAs) available that really empower individuals to become more directly involved in their health care. HSAs will also enhance the relationship between physicians and patients, which we so desperately need.

Therefore, we need to start developing new health plans that use this new benefit, and that deal with both the moral and economic crises in health care. We can immediately implement a new health plan by individually underwriting it, administering it, and passing the risk on to a large insurer (a re-insurer).

I propose that faith-based organizations (e.g., the Christian and Catholic Medical Associations, the Knights of Columbus, Christian Management Association), with the assistance of health insurance experts, test the market in a limited number of states that would be the most favorable to a free market, faith-based individual health plan. They could then expand marketing to other states and faith-based organizations. After a large pool is formed, faith-based organizations can establish their own health insurance companies to take risks, experience rate, underwrite, and administer in those states.

Healthcare Sidebar

Let me outline for you the major criteria for the establishment of nationwide, faith-based, and self-insured health plans.

First of all, we have to have a health care plan that is totally committed to spreading the Gospel of Life. The question is: Do people of faith really have the will to actually step forward and do this?

Next, you need critical mass. Anybody who knows the insurance business knows it is all about the spread of risk. It is out there among faith-based communities. They just have to have the will to pool that critical mass together. The plan design is key, and the plan design must be truly in line with the beliefs of the faith-based organizations. They

must also make sure that they control health plan administration. The problem in health care today is that people really do not know what is in their health plans, and many times they do not even know what is being paid for--particularly when it comes to issues regarding abortion, contraception, or sterilization. That is all kept "confidential."

Somebody needs to be willing to take on the risk. There are numerous people that would take on that risk in the industry--as long as they had a commitment of the critical mass. Conscience and parental rights must be protected in law.

Faith-based health coverage

OB/GYN News, Nov 1, 2004

A new health plan option for federal employees in Illinois will exclude coverage of contraception, abortion services, sterilization, and artificial insemination. This new "faith-based health plan" is a high-deductible insurance plan paired with a health savings account. This option, the first of its kind, is offered by OSF Health-Plans, owned and operated by the Sisters of the Third Order of St. Francis. The plan will be available only to federal employees in some Illinois counties. However, they will have other health plan choices, according to the Office of Personnel Management. The idea is that the health plan follows the Roman Catholic tenets in terms of coverage, and Catholic employees who wish to enroll will not pay premiums to cover services they don't believe in or intend to access, said Jeff Koch, spokesman for OSF Health Plans. But Planned Parenthood Federation of America's president, Gloria Feldt, called the move a backhanded attempt to limit access to reproductive health services and said it was a violation of the separation of church and state.

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SEPP—Schedule for Meetings –2006
Tambellini's Restaurant
Monday, November 20, 2006
Route 51 South
Time—6:00 PM for Board of Trustees
7: 00 PM General Meeting—Open to all
Dinner Meeting

Quarterly Meetings

Monday, November 20, 2006
Organizational Meeting
Elections

**SOCIETY FOR THE EDUCATION OF
PHYSICIANS AND PATIENTS**

The mission of The Society For The Education of Physicians and Patients is to promote the education of patients and health care professionals in order to facilitate unencumbered participation in a healthcare system that respects and nurtures patients' and physicians' freedoms, rights, and responsibilities.

The Society focuses on the responsibility of the physician as patient advocate and promotes quality medical care by supporting policies that encourage freedom, choice, enhancement of the patient-physician relationship, and fiscal responsibility.

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