

Tuesday, 19 December 2006

Two Insurance Plans Might Slow The Financial Bleeding For Companies, Families

Wisconsin State Journal :: FRONT :: A1

Tuesday, December 19, 2006

DAVID WAHLBERG dwahlberg@madison.com 608-252-6125

More uninsured children. Fewer workers with health coverage. Rising medical costs. Voter demand for change.

Some say that with Democrats now in control of the state Senate and the governor's office, the climate is ripe for health-care reform in Wisconsin's legislative session to begin next month.

"Health care is our No. 1 issue," said Judy Robson, D-Beloit, a nurse who will be Senate majority leader. "We're hearing about it from every segment of the state."

Others say the perennially difficult topic has little chance of seeing action such as that taken in Maine, Massachusetts and Vermont, where universal health-care programs have been adopted.

The odds of such reform in Wisconsin next year are "at the very best 50-50," said state Rep. Curt Gielow, R-Mequon.

Gielow is leaving the Legislature as the lone Republican sponsor of one of the state's two main health-care-reform bills. The GOP still controls the Assembly, but no Republicans have stepped up to back the bill next session.

"We need the consumer to feel enough pain that they send signals to their leaders," Gielow said.

Amanda Heisner said her family is about to feel such pain -- again.

Heisner, 31, her husband Adam, 33, and their two sons, 5 and 6, are on BadgerCare, the state health plan for the poor. But depreciation on their dairy farm near Mineral Point and a loan they received will make them ineligible next year, she said.

Unless the state expands the program through the BadgerCare Plus proposal sought by Gov. Jim Doyle, the Heisners will have to shop for private insurance, she said. Rates can be especially high for farmers because the job is considered hazardous.

The last time the Heisners had private insurance, they paid \$1,000 a month.

"We just couldn't afford to do that," Amanda Heisner said.

Frustration level high

The Wisconsin Farm Bureau is one of several groups representing self-employed workers or small businesses that view health-care reform as a top priority next year.

"The frustration level on Main Street is at an all-time high," said Bill Smith, state director of the National Federation of Independent Business. "Small businesses continue to see double-digit increases in health insurance."

Several factors could bring urgency to the discussion:

The percentage of Wisconsin workers with employer-provided insurance dipped from 79 percent in 2000 to 71 percent last year, according to the U.S. Census Bureau.

At least 110,000 children in the state didn't have insurance at some point last year, an increase of 19,000 from the year before, a state report recently showed.

Wisconsin employers spent \$9,516 per worker this year for health benefits, according to a report last month from the New York-based consulting firm Mercer Health & Benefits. That's up 9.3 percent from last year -- and 26.5 percent higher than the national average of \$7,523 per worker.

A total of 82 percent of voters in Dane County and 10 other Wisconsin communities approved referendums in November asking for universal health care.

There is little chance of federal reform in the next year or two, experts say. U.S. Rep. Tammy Baldwin, D-Madison, and Democratic U.S. Sen. Russ Feingold of Wisconsin have introduced bills to encourage states to tackle the issue.

"With all of those dynamics, it seems ripe for state policy to intervene," said Laura Taylor, health-policy analyst for the National Conference of State Legislators.

Taylor said Wisconsin is one of several states, including Minnesota and Illinois, showing movement toward universal health care.

Groups such as the Wisconsin Medical Society, which represents doctors, and the Wisconsin Hospital Association also say they want change.

But they fear the reforms being proposed will result in them getting paid only about half of their costs for care, as they say happens now with the state-federal Medicaid program.

Doctors and hospitals can currently shift those costs to the privately insured. But universal health care might prevent that, leaving providers unable to make ends meet, said Mark Grapentine, a lobbyist with the Wisconsin Medical Society.

"The balloon pops at some point," he said.

Eric Borgerding, a lobbyist with the Wisconsin Hospital Association, said consumer demand for health care is helping to drive up costs and needs to be curtailed.

"There is blatant waste," he said. "We think it's a recipe for disaster if you don't also look at that."

Two main plans

Regardless of what action may be taken at the Capitol come January, observers say much of the discussion is expected to center on two health-care reform bills.

The one backed by Gielow, with support from some Democrats and some interest from business groups, proposes the Wisconsin Health Plan.

Companies would pay 3 percent to 12 percent of wages and employees would pay 2 percent into a purchasing pool. Workers, using health savings accounts, would choose from among three tiers of health plans offered by various insurance companies.

The other bill, which also has some bipartisan support and is largely backed by unions, proposes the **Wisconsin Health Care Partnership Plan.**

Companies would pay about \$300 per month per worker for a uniform plan, run by an insurance company selected by a state commission.

A third bill, co-sponsored last session by Sen. Mark Miller, D-Monona, lacks bipartisan support and has not been discussed as much as the others. The single-payer, state-run plan would tax employers for health care.

Each of the bills seeks to cover the state's half-million people who are currently uninsured.

The two main plans differ in two primary ways: the first plan involves the insurance industry, while the second plan largely replaces it; and the second plan would cover more mental health and drug-abuse treatment.

Robson, the Senate majority leader, said the two bills should be merged into a single plan. But backers of the proposals haven't been able to forge an agreement.

Lisa Ellinger, assistant director of the Wisconsin Health Project, which created the Wisconsin Health Plan, said insurance companies must be included in the solution.

"If we take any major player out of the health-care delivery system, it's dead on arrival," she said.

David Newby, director of the state AFL-CIO, which proposed the second plan, said most of its savings comes from eliminating the existing insurance structure.

"Our feeling is that these are two different models and you can't just throw them together," he said.

Expand BadgerCare plan

Neither bill has been endorsed by Doyle, a Democrat entering his second term.

Instead, the governor wants to expand BadgerCare, create a catastrophic insurance pool and allow tax deductions for health-insurance premiums.

"I'm going to be much more focused on very practical things that can get done," Doyle said.

Under BadgerCare Plus, the state's Medicaid, BadgerCare and Healthy Start programs would merge. This would reduce administrative expenses and make it easier for people to enroll, state officials say.

The savings would allow the income cap for BadgerCare to be increased, so the program could cover 28,000 more children, pregnant women and others, according to a state analysis.

Other health-care issues likely to arise next session, according to Robson, include better dental care for poor children and expanded mental health benefits.

Families need help

For the Heisners of Mineral Point, any changes to help working families afford insurance would be welcomed.

They pay \$150 a month for BadgerCare, Amanda Heisner said. But no dentist in her area will take BadgerCare for their sons, she said, so they spend about \$1,000 a year for dental care.

Their youngest son has symptoms of autism and requires special care, she said. Even though she has a second job selling cooking equipment, it will be hard if they have to pay \$1,000 a month again for insurance.

"It shouldn't be this difficult," Heisner said. "We're just trying to raise a family."

Health-care reform proposals

Three bills seeking universal health coverage in Wisconsin were introduced last year. They are expected to be taken up again in the next session. The first two are being talked about the most. Here are the plans and how they differ:

Wisconsin Health Plan: Companies would pay 3 percent to 12 percent of wages, and employees would pay 2 percent, into a purchasing pool. Workers would choose from among three tiers of health plans.

Wisconsin Health Care Partnership Plan: Employers would pay about \$300 a month per worker for a plan, run by an insurance company selected by a state commission.

Wisconsin Health Security Act: Employer taxes would fund a single-payer, state-run plan.

Source: Wisconsin State Journal

Source Link: <http://www.madison.com/archives/read.php?ref=/wsj/2006/12/19/0612190036.php>