

## Patients Rights/Cost Containment/Funding [12-17-07]

**Goal 1: To make health care coverage more affordable**

**Goal 2: To provide broadly available and easily accessible information about health care providers' quality and price information**

### The Problem

Cost containment and funding are two of the most important elements in creating universal health care access that is economically sustainable. Without meaningful cost containment strategies, any expansion of coverage to uninsured Iowans will be difficult to sustain over time. Moreover, increased funding to meet the health care coverage needs of low income Iowans is finite. Therefore, any new investment must be done as cost effectively as possible.

We believe in and endorse the four cornerstones of healthcare: interoperable health information; transparency of quality information; transparency of price information; and incentives to promote high-quality and cost-effective care.

Cost containment in the health care system has been elusive. The strategies below include both long and short term approaches to improve access to health care coverage. We also believe that a population-based approach to greatly improving the health status of Iowans by investing far more in anti-smoking initiatives and health promotion efforts that focus on eating smarter and exercising more is essential.

One longer term cost containment strategy focuses on prevention and management of chronic diseases. Chronic diseases such as heart disease, stroke, diabetes and cancer are among the leading causes of disability and death in the United States. Chronic diseases account for 70 percent of deaths and about 78 percent of health spending. While there has been some success in employer based programs and a few community efforts, population-based efforts have been more difficult.

Another focus of cost containment is doing a better job of eliminating duplication and unnecessary expenditure on facilities and equipment by scrutinizing every major expansion of facilities and technology. We believe that the Certificate of Need process needs to be strengthened and more expertise needs to be directed to this effort. In addition, we believe that a Health Insurance Consumer Advocate is needed to investigate the legality of all rates, charges, rules, regulations, and practices of all persons under the jurisdiction of the insurance division.

### **The Recommendations**

#### **1. Commission Proposal #1 – Increase Public Health wellness/prevention/health promotion efforts**

##### **A. Remove Unhealthy Food From Schools**

- Create the HealthVend Program, a revolving school loan program that will allow schools to purchase vending machines that carry only healthy foods
- Improve school lunches to provide more fruits, vegetables and lean meats

##### **B. Improve the Health of Iowa’s Children by enacting the Healthy Kids Act of 2008 as proposed by the Healthy Children Coalition (draft language available)**

- Provide adequate funding for and encourage all children to get the full schedule of childhood and adolescent immunizations
- Set physical activity guidelines for Iowa’s schools
- Encourage wellness among students, including well-child screenings

##### **C. Encourage More Iowans to Quit Smoking**

- Implement a statewide ban on workplace smoking
- Expand Smoking Cessation Programs

##### **D. Encourage Physical Activity for Seniors**

- Work with the Department of Elder Affairs and the Department of Public Health to expand physical activity programs for Iowa’s Seniors in collaboration with Senior Corp and RSVP for Iowa Seniors
- Direct the Department of Elder Affairs and the Department of Public Health to form strategies and partnerships with provider and consumer stakeholders to promote voluntary, community-based physical activity programs for older Iowans.

##### **E. Promote Wellness Efforts Among Iowans**

- Encourage Iowans to get regular health screenings, including mental, dental, cancer, and other preventative steps, and work with the Department of Public Health to connect them to those services
- Create a Wellness Website where individuals can learn about successful wellness efforts across the state, and create their own personal wellness plans, including information on healthy eating, physical activity and health screenings

- Provide additional funding of \$2 million to the Department of Public Health to promote wellness efforts
  - Wellness grants (building on the success of the Harkin Grants) to local boards of health for programs that focus on increased physical activity and improved nutrition [details in IDPH offer “Health Promotion and Wellness”]
  - Increase the capacity of Iowa’s local boards of health and local public health agencies to plan and deliver public health services that will improve the lives of Iowans

## **2. Commission proposal #2– Support Healthy Local Food Consumption in Iowa**

- A. Increase local food purchases by the state at institutions such as prisons, K-12 schools, colleges, etc. including senior nutrition programs
- B. Maximize use of federal programs in the state – i.e: farmer’s market nutrition programs using incentives for business and marketing campaigns aimed at consumers
- C. Increase state support for Iowa local food production, processing and distribution systems

## **3 . Commission Proposal #3- Implement Disease Management initiatives**

- A. Establish a legislative task force (this should be part of the Legislative Interim Commission on Affordable Health Care if it continues to exist) to review chronic disease management strategies applied in private sector health policies and recommend proposals to expand the use of evidence-based chronic disease management programs throughout the Iowa health insurance market. The Task Force should:
  - B. Promote Evidence-based Disease Management strategies in public and private health systems
    - Develop an agency to provide technical assistance for the implementation of evidence-base disease management strategies, utilizing the most recent research on successful models.
    - Task the agency with developing social marketing campaigns to promote disease management strategies with the medical profession, health insurers and the public.
  - C. Review chronic disease management education provided by professional boards and recommend education resources and curriculum that may be integrated into existing and new education programs.
  - D. Extend chronic disease management projects piloted by Medicaid.
    - Increase target disease list from congestive heart failure, diabetes, and asthma to include cancer, hypertension and stroke.
    - Add cognitive disorders and mental health.
    - Direct Medicaid to apply for applicable federal waivers.

- E. Extend chronic disease management strategies to the State's inmate population.
- F. Require public employment health insurance contracts to include comprehensive chronic disease management and wellness incentives.

#### **4. Commission Proposal #4– Implement End of Life planning initiatives**

- A. The Iowa Department of Elder Affairs – Legal Service Development and Substitute Decision Making programs -- will research end-of-life planning tools that are designed to contain health care costs, in consultation with other agencies and stakeholders, and recommend a public education campaign strategy on end-of-life planning to the General Assembly by January 12, 2009.
- B. The Department of Elder Affairs and the Iowa Insurance Division will implement a public education campaign utilizing, in part, CMS' Own Your Future; Planning Guide for Long-Term Care and tools from the Age and Disability Resource Center in an effort to educate the 50 + population about available and less costly long-term care services (alternatives to facility-base long-term care) that promote health and independence as Iowan's age.
- C. The General Assembly should appropriate \$200,000 to DEA to fund a public education campaign about home and community-based services and \$875,000 to DEA to continue the work of the Age and Disability Resource Center when the Administration on Aging grant funds expire Sept. 30, 2008.
- D. Iowa should legally recognize physicians' duty to provide palliative care sufficient to relieve patients pain, limited only by patients; informed wishes and the limits of medical science
- E. Encourage health insurance plans, especially state funded plans provide adequate coverage for hospice care
- F. Enact legislation to model the Uniform Health Care Decisions Act, that regulate advance health care directives and are enforceable-in-fact, flexible for patient preferences and unpredictable circumstances, and protective of appropriate end-of-life interventions
- G. Establish a nonjudicial means (such as mediation) for resolving disputes that may arise in the implementation of advance directives
- H. Strengthen guidelines for advance directives—such as nonhospital “do not resuscitate” orders—that protect incapacitated adults' rights to refuse life-sustaining treatment when they are not in a health care facility
- I. Ensure that any advance directives accompany an incapacitated individual moved from one health care facility to another (ideally as part of new policies related to use of electronic health records). Amend Iowa Code regarding advanced directives to allow for a standardized form that

is based on the National POST paradigm initiative. This form would be recognized throughout the healthcare continuum.

**5. Commission Proposal #5 – Transparency: Require all providers to disclose prices and performance quality.**

**A. Require disclosure of estimated payment.**

- A health care provider, or the provider's designee as agreed to by that designee, shall, at the request of a consumer, provide that consumer with a good faith estimate of the allowable payment the provider has agreed to accept from the consumer's health plan company for the services specified by the consumer, specifying the amount of the allowable payment due from the health plan company. Health plan companies must allow contracted providers, or their designee, to release this information. If a consumer has no applicable public or private coverage, the health care provider must give the consumer a good faith estimate of the average allowable reimbursement the provider accepts as payment from private third-party payers for the services specified by the consumer and the estimated amount the noncovered consumer will be required to pay.

**B. Require disclosure of providers' price, quality and patient safety performance.**

- Implement a system (a database) of consumer health care price and quality information designed to make available to consumers transparent health care price information, quality information including hospital infection rates, medication and surgical errors, and such other information that is necessary to empower individuals, including uninsured individuals, to make economically sound and medically appropriate decisions.
- Tie any future increase in provider payment under Iowa Medicaid to a quality and public reporting standard.

**6. Commission Proposal #6– Strengthen the Certificate of Need process**

A. Rename the Health Facilities Council the Health Care Cost Containment Council, broaden its duties and make it a separate division within the Iowa Department of Public Health and add a Health Economist to the staff of the new Council

B. Use to the maximum extent possible data and information collected independently by the state

C. Update the program emphasis and criteria to encourage health system development for wellness and health promotion and to improve quality and reduce cost

D. Require all new hospitals, including replacements within the same county, to complete the Certificate of Need process.

E. Require all new surgical centers, including those initiated by physician practices, to complete the Certificate of Need process.

F. Require all new skilled nursing facilities to complete the Certificate of Need process.

**7. Commission Proposal #7– Create an Office of Insurance Consumer Advocate**

- An office of Insurance Consumer Advocate should be created to investigate the legality of all rates, charges, rules, regulations, and practices of all persons under the jurisdiction of the insurance division. The office of the consumer advocate on insurance shall:
  1. Investigate the legality of all rates, charges, rules, regulations, and practices of all persons under the jurisdiction of the insurance division, and institute civil proceedings to correct any illegality on the part of any person.
  2. Make recommendations to the general assembly regarding insurance regulation.
  3. Make recommendations to any governmental agency which has an impact on insurance regulation in the state through rulemaking and review.
  4. Represent the interests of the public relating to insurance reform, coverage, and rates where action is necessary for the protection of public rights.

**8. Commission a study to determine the costs to achieve the recommendations of the Commission and the potential monies that might be available through various funding strategies such as general tax revenues, tobacco taxes, premium payments by insureds, maximizing federal dollars, demonstrated cost controls, health insurer assessments (including self-funded plans), assessments of health insurers, hospitals, health providers, and medical equipment, and junk food and other creative assessments.**