MISCELLANEOUS

Health Reform and the Uninsured. A convergence of factors has sparked renewed interest in the issue of the uninsured. First, this issue has been increasingly prevalent on the agenda of corporate America due to the increasing cost of health care and their outstanding obligations for covering employee's health care costs. Employers are also under pressure to cover even more employees (particularly small businesses) as the nation's uninsured population has grown to over 46 million Americans. Further, the Democratic Party now controls Congress and has long viewed this as a priority issue. Also, even though the election is 22 months away, most Presidential candidates have already begun campaigning, and many have discussed this issue as a priority. Finally, President Bush addressed the issue in his State of the Union speech and in his federal budget that was released in February. In April 2005, the AANS Board adopted the following position statement on this topic:

> *The AANS recognizes that millions of Americans have no health insurance. This is a serious problem facing our Nation that requires prompt attention. The AANS therefore supports health insurance coverage for every American.*

While it is highly unlikely that comprehensive health insurance reform will occur in the 110th Congress, there will be enough activity on this topic that the AANS and CNS will need to keep our eyes on the debate.

- **AMA-Specialty Society Principles.** A number of medical specialty societies and the AMA have joined together and in January 2007 adopted the following principles for health insurance reform:

PRINCIPLES FOR REFORM OF THE U.S. HEALTH CARE SYSTEM

PREAMBLE: Health care coverage for all is needed to facilitate access to quality health care, which will in turn in improve the individual and collective health of society.

1. Health care coverage for all is needed to ensure quality of care and to improve the health status of Americans.
2. The health care system in the U.S. must provide appropriate health care to all people within the U.S. borders, without unreasonable financial barriers to care.
3. Individuals and families must have catastrophic health coverage to provide protection from financial ruin.
4. Improvement of health care quality and safety must be the goal of all health interventions, so that we can assure optimal outcomes for the resources expended.
5. In reforming the health care system, we as a society must respect the ethical imperative of providing health care to individuals, responsible stewardship of community resources, and the importance of personal health responsibility.
6. Access to and financing for appropriate health services must be a shared public/private cooperative effort, and a system which will allow individuals/employers to purchase additional services or insurance.
7. Cost management by all stakeholders, consistent with achieving quality health care, is critical to attaining a workable, affordable and sustainable health care system.
8. Less complicated administrative systems are essential to reduce costs, create a more efficient health care system, and maximize funding for health care services.
9. Sufficient funds must be available for research (basic, clinical, translational and health services), medical education, and comprehensive health information technology infrastructure and implementation.
10. Sufficient funds must be available for public health and other essential medical services to include, but not be limited to, preventive services, trauma care and mental health services.
11. Comprehensive medical liability reform is essential to ensure access to quality health care.

ACTION TAKEN: The Washington Committee has recommended hat the AANS and CNS endorse the Medical Societies Principles, which will enable us to sign-on to coalition letters, and have some context in which to evaluate the various health reform proposals and coalitions.

Antitrust Relief for Physicians. Over the past several years there has been a rapid consolidation of the health insurance market. According to a 2005 AMA-commissioned study, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets," in many parts of the country, health insurance markets are now dominated by a few companies that have significant power over the market place. Health plans also benefit from a special exemption from the antitrust laws, so they are in a position to engage in anti-competitive practices that are detrimental to patient care. At the same time, the antitrust laws prevent individual physicians from joining together (subject to a few exceptions), creating an imbalance in the market place. As a result of this imbalance, health plans are forcing unreasonable, restrictive, and "take-it-or-leave-it" contracts upon physicians. Organized medicine therefore came together to seek legislation that would enable physicians and other health care professionals to effectively negotiate with health plans without fear of violating antitrust laws.

- **The Campbell Bill and Its Progeny.** Responding to this market imbalance, and the attendant anti-physician/consumer practices, former U.S. Representative, Tom Campbell (R-CA), introduced legislation in the 106th Congress that would have allowed groups of independent physicians to band together and jointly negotiate contracts with health plans as if they were unions. The bill, entitled the Quality Health Care Coalition Act (H.R. 1304), passed the House of Representatives but died in the Senate.

  In the 107th Congress, Reps. Bob Barr (R-GA) and John Conyers (D-MI) introduced a modified bill, entitled the Health Care Antitrust Improvements Act (H.R. 3897). This bipartisan legislation would allow physicians to jointly negotiate the terms and conditions of their contracts with health plans without subjecting them to *per* se violations of the antitrust laws. Under the bill, negotiations between a group of health care professionals and a health plan would be judged under the "rule of reason." The bill also authorized the U.S. Department of Justice to conduct demonstration projects, which would explore different mechanisms for bringing the appropriate balance of power to the health care market to ensure competition and quality health care. This bill (H.R. 1120) was reintroduced in the 108th Congress, Reps. Spencer Baucus and John Conyers. Unfortunately, we were never able to get any Senators interested in this legislation and neither bill moved forward.

- **Revisiting the Issue.** The consolidation of the health plan market continues to be a problem for physicians. Health plans continue to develop new programs and contract requirements (e.g., quality reporting and cost containment systems) that may negatively affect patients (e.g., diminished choice of physicians). With the changes in Congress, physicians now have a golden opportunity to revisit this legislation and organized neurosurgery is leading an effort, along with the AMA and others, to develop and reintroduce legislation to address these problems.

Biomedical Research. Through the Brain Attack Coalition, the National Coalition for Heart and Stroke Research, the National Heart, Lung, and Blood Institute Constituency Group, and the Coalition for the Advancement of Medical Research, AANS and CNS continue to work to support biomedical research funding. Rachel Groman represents neurosurgery on these coalitions.

- **Reauthorization of the National Institutes of Health:** On January 15, 2007, President Bush signed into law legislation that reauthorizes the National Institutes of Health (NIH) for the third time in its history. The National Institutes of Health Reform Act of 2006 (P.L. 109-482) authorizes additional funding to NIH for the next two years, grants more authority to the Director, and seeks

to promote better collaboration across the research agency's institutes and centers. The new law also authorizes, but does not appropriate, an additional $2 billion in FY07 and an additional $2.5 billion in FY08, bringing the total NIH budget to $32.8 billion. For FY09, the legislation directs that there be "such sums as may be necessary."

- **Health and Human Services Appropriations:** In February 2007, the President signed an omnibus spending bill (P.L. 110-5), which would allow federal agencies and programs to operate through FY07 by providing $463.5 billion. The final bill includes a $2.3 billion increase over the previous year's funding level for health and education programs, an impressive amount considering over 60 programs received less than FY06 levels, some unobligated balances were rescinded, and the President's FY07 budget proposed cutting health and education programs by about $5 billion. Despite this accomplishment, the funding increase only brings the Health and Human Services appropriation back to FY05 levels, which many critics say is far too low to adequately fund most, if not all, of the departments' programs.

  The NIH will directly benefit from this increased funding, receiving almost $620 million over FY06 levels. This amount will allow NIH to create a new $40 million program to support innovative research and to fund an additional 500 research project grants and 1,500 first-time investigators. Unfortunately, the legislation does not, however, include additional funding for the CDC's Heart Disease and Stroke Prevention Program.

  On February 5, 2007, President Bush released his FY08 budget proposal. Under the proposal, the NIH budget would be $310 million less than the FY07 funding level. In addition, the Administration proposes to increase the Global AIDS Transfer out of NIH by $201 million, effectively cutting the agency's budget by $511 million in FY08; thus reducing it to its FY05 funding level. While most believe that the president's budget is "dead on arrival," given the tight budgetary situation, it will nevertheless be difficult for Congress to enact significant increases in the NIH budget for FY08.

- **Embryonic Stem Cell Research:** Legislation to provide federal funding for embryonic stem cell research was reintroduced at the start of the new Congress after it was defeated in the previous Congress by the President's first and only veto. The Stem Cell Research Enhancement Act (H.R. 3/S. 5) would permit the Secretary of Health and Human Services to conduct and support research that uses human embryonic stem cells. It would permit the use of embryonic stem cells regardless of the date on which the stem cells were derived from a human embryo. Most importantly, the legislation would ensure that such research is safe, regulated, and conducted under certain ethical requirements.

  On January 11, 2007, the House of Representatives passed H.R. 3. The legislation gained 15 more votes compared to the previous Congress. As of March, an identical version of the bill was awaiting consideration by the Senate. Despite these gains, the margin still falls short of the two-thirds majority needed in each chamber to override an expected presidential veto. To avoid another presidential veto, lawmakers are considering a number of options, including amending the language of the Senate bill so that it is more amenable to the White House or more members of the House, or attaching the bill to must-pass legislation.

- **Stop Stroke Act:** In March, 2007, the Stroke Treatment and Ongoing Prevention Act of 2007 (STOP Stroke Act, H.R. 477) was voted out of the House Energy and Commerce Committee. The legislation, which AANS and CNS supports, would help educate the public about the need to treat stroke as a medical emergency and establish coordinated statewide systems of care so that all stroke patients have access to the latest and most effective treatments and therapies. Similar legislation is expected to be re-introduced in the Senate this spring. As of this report, it was anticipated to be voted on and passed by the House of Representatives the last week of March.

Value of Neurosurgeons to Hospitals. The Washington Committee is exploring a new project aimed at establishing the value of neurosurgeons to hospitals so as to help neurosurgeons develop partnerships and joint ventures with hospitals, which may help improve the delivery of patient care, improve relationships between neurosurgeons and their hospitals and help increase/maintain reimbursement.

> **ACTION TAKEN: An ad-hoc committee (Drs. Doug Kondziolka, John Kusske, Gary Bloomgarden, Przybylski, and Mark Linskey) will develop a draft Request for Proposal (RFP) for this project to identify the value of neurosurgeons to hospitals and will identify several firms with whom the AANS and CNS will send the RFP.**