

**Sarah Bianchi**  
**Box #3**

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- Women's Health
- Background: Women's Health
- Supply Catalog and Forms
- VP News
- AIDS Background
- AIDS report: July 1999
- Background: Air Quality
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US ACTION

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**PAYING LESS  
FOR PRESCRIPTIONS**

# TIME



# POKÉMON!

**For many kids it's now an addiction:  
cards, video games, toys, a new movie.  
Is it bad for them?**





## **Campaign for Social and Health Security - Fall 1999 Report**

The Campaign for Social and Health Security is a grass-roots effort initiated by state and national organizations with a history of work on health care and income security issues. These groups are forming, with other state-based groups, a new national grass-roots progressive organization. The Campaign, active in 15 states, focused this fall on passing a strong Patients' Bill of Rights, strengthening Medicare, and protecting Social Security. We are currently active in AZ, CT, GA, IA, IL, MI, NH, NJ, NM, NY, PA, RI, TN, WA and WI.

The state groups organized 35 successful events involving a diverse coalition, including labor, seniors, people with disabilities, and health care providers, around these issues.

In September, the groups focused on demanding a strong Patients' Bill of Rights. Eleven state groups staged events with handcuffed providers asking Members of Congress to free them to care for their patients, generating media attention on the issue and putting pressure on targeted members. Other creative events around the Bill of Rights included Connecticut's bake sale for HMO victims at five locations around the state, targeting Rep. Johnson and denouncing her taking HMO industry money and Michigan's delivery of baskets containing wishes for a strong Patients' Bill of Rights to their entire congressional delegation by coalition members, including SEIU, OWL, AARP, NOW, and NCSC. States with members who voted against the Norwood-Dingell bill also held events following the vote attacking members for doing the wrong thing. Some states highlighted the connection between members voting the wrong way and money from HMO industry contributions.

In October, the groups focused on Medicare and Social Security. Seven states held "Don't Sell Seniors Down the River" events with seniors in boats demanding that their Members of Congress sign the Campaign's pledge to protect and strengthen these programs. The events were covered extensively in local media. Sixteen members have signed the pledge so far. Some states also held other events focused on Social Security and Medicare. Washington organized seniors to bird-dog Senator Slade Gorton, highlighting his poor record on health care issues, as he toured around the state. New Hampshire worked with the 2030 Center on a statewide media tour highlighting the support of young people for Social Security. New Jersey organized seniors at an event for Congressman Franks to demand that he support Medicare and sign the Campaign's pledge.

The groups are currently taking the offensive to expand health care coverage by organizing events pushing for affordable prescription drug coverage under Medicare. The local events will build up to the national action at Congressman Hastert's office at the Committee for the Future's national convention. In addition, New Mexico delivered 500 empty prescription bottles to Congresswoman Wilson's office, demanding that she end drug price discrimination against seniors. New Hampshire released a report with Public Campaign, highlighting pharmaceutical company PAC contributions to presidential candidates and the lack of action on the inflated cost of prescription drugs.

## Campaign for Social and Health Security Events – Fall 1999

(Members of Congress in bold)

### Arizona

- PBR: • Event in Phoenix at **Salmon**'s office with Labor Council, senior citizens and AIDS activists on 9/8.
  - Event in Tucson targeting **Kolbe** on 9/8.
- "Don't Sell Seniors Down the River": • Event in Phoenix at **Hayworth**'s office on 10/13 with the state AFL-CIO, AZ National Senior Citizens Council, and 10 activists.
  - Event in Tucson in front of **Kolbe**'s office on 10/13 with Pima County Medical Society, UFCW, union retirees, and 15 activists.
- Prescription Drugs: • Press conferences in Tucson and Phoenix releasing Families USA report with Senior Citizens Council..

### Connecticut

- PBR: Bake sales for HMO victims at 5 locations around the state on 8/20. Sales targeted **Johnson** and denounced her receipt of HMO money. Attended by over 100 people.
- Prescription Drugs: Released Families USA report.

### Georgia

- "Don't Sell Seniors Down the River": Event in Macon with 30 seniors.

### Illinois

- Pledge: Kick-off news conference with **Davis**, **Gutierrez**, and **Schakowsky** in Chicago on 7/7 with Access Living, AFSCME Council 31, Coalition for Consumer Rights, Health & Medicine Policy Research Group, Illinois AFL-CIO, Illinois State Council of Senior Citizens, Metro Seniors in Action, and SEIU Illinois State Council.
- PBR: • Released analysis of HMO consumer complaints showing need for strong federal PBR on 7/14.
  - News conference on 9/2 releasing analysis of rising HMO complaints with **Evans** signing oversized pledge. Attended by IL State Council of Senior Citizens, IL Nurses Assn, UAW.
- "Don't Sell Seniors Down the River": Event on Fox River outside **Hastert**'s office with 60 seniors in attendance.
- Prescription Drugs: Turned out seniors from Metro Seniors in Action and UNITE for action on **Hastert** on 11/12.

### Iowa

- PBR: • E-mailed 2000 members urging them to contact their Congressman in support of the bipartisan managed care bill.
  - Phone canvassed on issue the week prior to the vote.
- "Don't Sell Seniors and Persons with Disabilities Down the River": Event on 9/22 in Des Moines with Cross Ministries, Des Moines Area Religious Council, Senator **Harkin**'s office, South Central IA Federation of Labor Retirees, Arc, Methodist Board of Church and Society, DD Council, NASW, and AFSCME.
- Prescription Drugs: Conducted prescription drug bottle drive, leading up to the release of Families USA report on 11/3.

### Michigan

- PBR: • Delivery of wish baskets with strong PBR provisions to entire Congressional delegation by members of coalition (OWL, SEIU, AAUW, MichUHCAN, Reform Party, NOW, AARP, National Council of Seniors) on 9/7.
  - Event in Southfield on 10/4 with the Michigan State Medical Society, **Stabenow** and **Dingell**. Participants included senior citizens, labor, League of Women Voters, OWL, and AAUW.

### New Mexico

- PBR: Handcuff event at **Wilson**'s office on 9/1 with 20 people from Senior Citizens Law Office, PACE, 1199, Coalition for Effective Mental Health, and Health Action New Mexico.
- Prescription Drugs: Event at **Wilson**'s office on 10/13 with 20 people from Health Action New Mexico, Gray Panthers, the retired teacher's federation, PACE. Delivered 500 empty prescription bottles and a poster of a prescription for Wilson to end prescription drug price discrimination.

### New Hampshire

- Statewide media tour with the 2030 Center on Social Security issues.
- Released study with Money Watch 2000 on campaign contributions by the pharmaceutical industry.

## New Jersey

- Pledge: Sendoff at State House with representatives from **Holt** and **Pallone**'s offices on 9/7. Attendance by HPAAE, Coalition of Union Retirees Organizations, SEIU, AFSCME, CWA.
- PBR: Press conference with **Pallone**, HPAAE, American Medical Society, and American Dental Association to push for strong PBR on 10/4.
- Medicare and Social Security: • With members of PACE, AFT Retirees, and United Senior Alliance, urged seniors at **Franks** event at Senior Expo to push him to sign the pledge on 9/24. Collected 65 signed letters from seniors.
  - Attended **Franks** meeting on Social Security on 9/25 to ask him to sign the pledge.
  - Press conference on 10/8 with Congressman **Holt** on Medicare.
  - "Don't Dump Seniors in HMOs" event using toy dump truck carrying seniors with **Holt** and attendees from HPAAE, NJEA, NJ Protection and Advocacy, Coalition of Union Retirees, CWA, NJ Breast Cancer Coalition, United Senior Alliance on 10/8.
- Prescription Drugs: Press conference at Newark Airport on 11/11 sending off representatives with bottles collected from seniors to national demonstration on **Hastert**.

## New York

- Pledge: Press conference and rally with unions, seniors, and college students on 10/4 when Governor **Pataki** and **Bush** were in Buffalo for fundraiser.
- PBR: Press conference with Hinchey on 9/20 featuring a skit with providers handcuffed by HMO rules and **Hinchey** freeing them.
- "Don't Sell Seniors Down the River": Event in Owego with 50 activists on 9/22. • Event in Buffalo on 10/19.
- Prescription Drugs: • Collected over 1000 prescription forms and delivered them to **Hastert** at national action. • Released Families USA report.

## Pennsylvania

- Pledge: • Philadelphia event on 9/8 with **Borski**, **Brady**, **Fattah**, **Hoeffel**, and **Klink** and 80 activists from PA AFL-CIO, 1199, SEIU, AFSCME and the community.
  - Cards delivered to other members of congressional delegation by coalition members urging them to support the principles in the pledge.
- PBR: Event on 10/4 at Capitol in Harrisburg urging members not to let HMOs buy their votes with PA Federation of Injured Workers, PA AFL-CIO, PA State Council of SEIU, PA Council of Senior Citizens, PA Coalition of Citizens with Disabilities, and Spanish Community Association of Central PA.
- SOS for Social Security and Mayday for Medicare: Event in Allentown with 25 attendees on 9/30. Speakers from PA Council of Senior Citizens, Lehigh Center for Independent Living, and Lehigh Labor Council.
- Prescription Drugs: Released Families USA report with Action Alliance of Senior Citizens at Glaxo Wellcome on 11/9.

## Rhode Island

- "Don't Sell Seniors Down the River": Event with Gray Panthers, RI Nurses Association and 40 participants.
- Medicare HMOs: Organizing around state takeover of Harvard Pilgrim HMO, emphasizing dangers of putting seniors and people with disabilities into HMOs.
- Prescription Drugs: Released Families USA report at a senior center on 11/3.

## Washington

- PBR: Visits to the district offices of Congressional delegation urging each member to support PBR and to sign the pledge.
- Medicare and Social Security: Demonstrated against **Gorton**'s poor record on health care at events in Sunnyside (8/15), Yakima (8/15), Olympia (8/30), and Spokane (9/2).

## Wisconsin

- Pledge: • Campaign kickoff events in Milwaukee and Madison on 7/16 with AFL-CIO, Coalition of Aging Groups, Federation of Nurses and Health Professionals.
- PBR: Co-hosted a rally with the state medical society, Federation of Nurses and Health Professionals, and Racine Central Labor Council in support of PBR in front of Ryan's office on 9/16. Organized testimony in support of state PBR.
- Prescription Drugs: • Released Families USA report with Coalition of WI Aging Groups and senior victims on 11/9. • Completed study of drug prices in CD-1 showing seniors pay twice as much as hospitals and HMOs; will release with **Feingold**. • Canadian drug run scheduled for 3/7.

# KANE COUNTY CHRONICLE

\$1 #1 SELLING DAILY NEWSPAPER IN CENTRAL KANE COUNTY — SINCE 1881

November 13-14, 1999

## Activists seek cut in prescription drug prices

### More than 200 hold protest outside Hastert's district office

By MARK FOSTER

*Kane County Chronicle*

BATAVIA — More than 200 activists from across the nation rallied outside U.S. House Speaker Dennis Hastert's Batavia district office Friday, demanding legislation to cut prescription drug prices for Medicare patients.

They brought thousands of empty prescription drug bottles, and dumped them at the door to the speaker's office at 27 N. River St.

The demonstrators charged that Hastert is standing in the way of legislation that would provide seniors with coverage for prescription drugs, and is putting the interests of big pharmaceutical companies ahead of ordinary people.

The group rallied under the banner of US Action, and other activist organizations, including Illinois Action and Metro Seniors.

US Action is "a newly launched nationwide grassroots organization fighting for social, economic, racial and environmental justice."

John Cameron of Illinois Action, leader of the rally, charged that House Republicans killed legislation in committee to cut prescription prices for Medicare patients, and that Hastert this month used his power as speaker to prevent a floor debate on the issue.

Cameron said that senior citizens pay an average of \$525 per month out-of-pocket for medical costs.

"We need for the Speaker of the House to stop speaking for the drug companies and start speaking for us," Cameron said.

Illinois Action rallied in front of Hastert's office on the same issue about two months ago. Cameron said Hastert has refused to meet with his group.

Inside the office, Hastert press secretary John McGovern said the speaker was not in the office, and that the district staff would not meet with the protest leaders.

"They want universal entitlement, and that would bust the budget," McGovern said.

"Under President Clinton's plan, we

would have to either raise taxes or cut Medicare benefits," McGovern added.

McGovern noted that he met with the group's leaders the last time they made their protest.

Outside, the demonstrators chanted slogans like "No health care, no peace!" and held placards aloft.

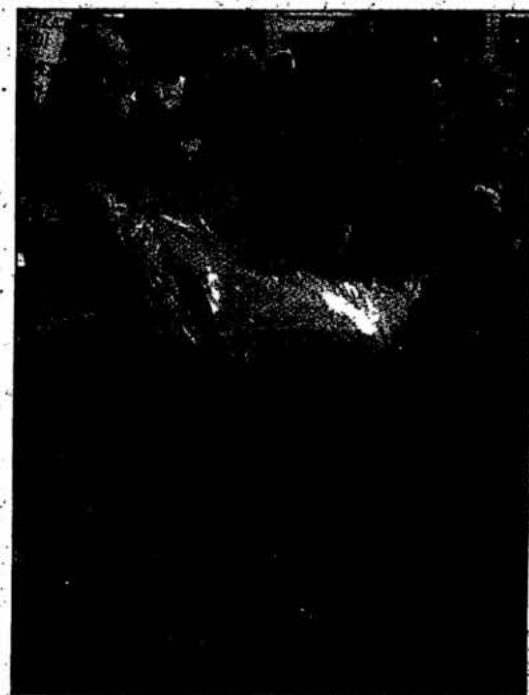
They cheered as their leaders, from states including Maine, Mississippi, Arizona and Minnesota, made speeches.

"We have people who have to make a choice whether to eat or buy prescription drugs!" declared Norma Murray of Metro Action for Seniors.

"Speaker Hastert, you've shown your priorities to America's seniors. Next November, America's seniors will show you theirs," Cameron shouted.

John Marvin of Maine said that many seniors find it less expensive to cross the border into Canada to buy prescriptions.

One by one, representatives of US Action's state organizations dumped



Bob Gerrard — Chronicle photo staff

**Sara Williams of Jackson, Miss., protesting with US Action, places empty prescription bottles into a barrel at U.S. House Speaker Dennis Hastert's office.**

Please see PROTEST page 8



## Protest

Continued from Page 1

their empty prescription drug bottles into a large barrel, filling it to overflowing, and placed it at the locked door of Hastert's office.

State Rep. Mary Flowers, D-Chicago, also participated in the rally.

"Health care is an issue that can't wait. Prescription drug coverage is not a luxury, it's a necessity," Flowers said.

"These are people who have paid their dues," Flowers said.

Flowers said the state government is powerless to change Medicare policy.

"We're at the mercy of the federal government," Flowers said.

Rank and file members of the protest were equally vocal.

"We're going to tell Hastert loud and clear that we want something done about outrageous prescription drug prices," said Sam Gierryn of Madison, Wis.

Gene Farley, a family physician from Madison, said that



Bob Gerrard — Chronicle photo staff

**John Marvin of Maine, left, of the National Council of Senior Citizens speaks as Juan Carlos of US Action holds the bullhorn at a protest over prescription prices Friday in front of House Speaker Dennis Hastert's district office in Batavia.**

"Hastert's stand means that our patients pay exorbitant prices. He speaks only for corporate profit."

Seniors are entitled to the same price breaks as large buyers, like HMOs, said Pedro Rodriguez of Philadelphia, Pa.

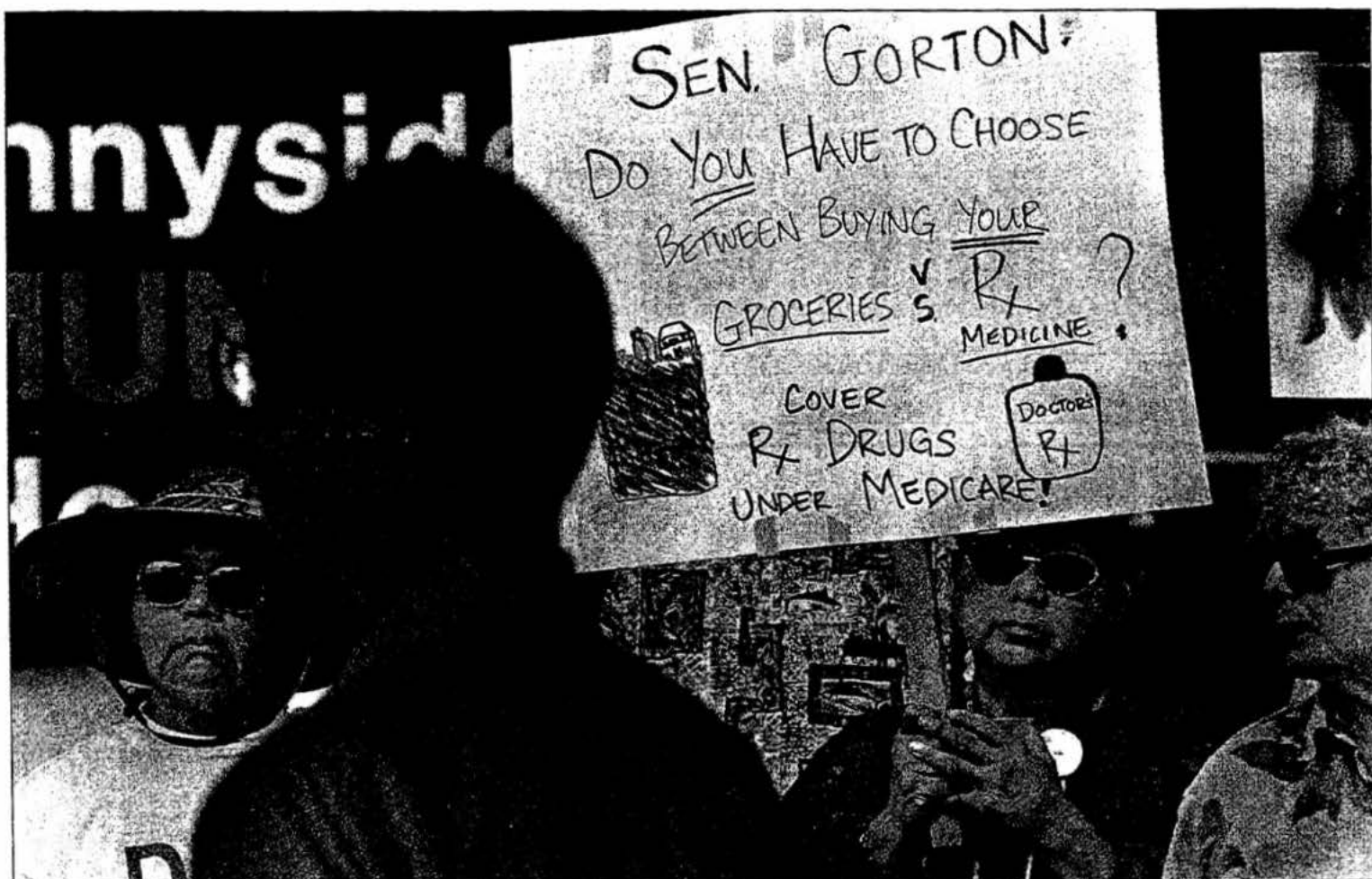


# YAKIMA HERALD-REPUBLIC

THURSDAY, AUGUST 18, 1999

A DAILY PART OF YOUR LIFE

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ROY MUSITELLI/Yakima Herald-Republic

Sen. Slade Gorton's visit to Sunnyside Community Hospital on Wednesday drew a group of protesting Medicare advo-

cates, including from left Dolly Washington, Marlene White, and Jo Ekroft.

## Protesters Shadow Gorton During Valley Visit

By JESSICA LUCE  
YAKIMA HERALD-REPUBLIC

SUNNYSIDE — U.S. Sen. Slade Gorton wanted to talk about health care at rural hospitals when he visited Sunnyside Community Hospital on Wednesday.

While the Washington Republican did get to discuss his views with hospital employees, protesters also wanted Gorton to speak on Medicare and affordable health care, two areas they claim he has given scant support.

term next year, spoke with about 30 hospital employees outside the hospital while members from the Seattle-based Washington Citizen Action group stood by with signs supporting Medicare reforms.

Signs reading "Medicare Forever" and shouts of "La raza contra Slade" were largely ignored by the state's senior senator, who said he was at the hospital to field questions about the facility and concerns voiced by its employees.

Those concerns included the 1997 Balanced Budget Act and its ramifications on

Hospital CEO Jon Smiley said 70 percent of Sunnyside Community Hospital's inpatient revenues come from Medicare and Medicaid. He said many of the hospital's patients are from "less fortunate income levels."

Medicare is the federal health care insurance program for people age 65 and over and for the disabled, while Medicaid is the federal-state program that helps pay for health care for the needy, aged, blind and disabled, and for low-income families

## GORTON/Blames Clinton

Continued from Page 1A

and children.

Gorton conceded he wasn't knowledgeable to comment on all problems facing rural hospitals. But he did say disparities in federal assistance between rural and urban hospitals will be a "principal focus" in the Senate this fall.

Congress will be working on relief for rural hospitals in the coming months, he said.

Some of the current Medicare problems, Slade said, are due to the Clinton administration not facing real issues, particularly regarding urban hospitals that have a high percentage of Medicare patients. Medicare, he said, must be saved and solutions must be found to preserve the financial stability of rural hospitals.

Gorton said the primary reason for the Sunnyside Community Hospital visit was to get feedback and ideas that he can use when the Senate reconvenes next month.

The protest was organized by Washington Citizen Action, which promotes health care and living-wage issues and is supported by 4,000 members statewide.

"This is not about (Gorton) running for re-election," said Steve Zelak, a community organizer for

the group. "It's about him doing the right thing."

The group distributed copies of Gorton's congressional voting record on health care issues since 1981, which includes votes for funding cuts, raises in Medicare premiums and a higher eligibility age for Medicare.

Marlene White, a member of the Yakama Nation, held a sign reading, "Sen. Gorton, Do you have to choose between buying your groceries vs prescription medicine? Cover prescription drugs under Medicare."

White said she wanted to make sure Gorton doesn't forget the recipients of Medicare. When people can't afford basic necessities because their medicine is too costly, it's a sad thing, she said.

"People in this great nation shouldn't have to do that," she said.

Gorton responded to the protest by saying people have the right to express themselves. Liberal special interest groups, like those protesting, along with the Clinton administration, are "unfriendly" to finding solutions to a variety of problems, he said.

Gorton's schedule included a stop at Providence Toppenish Hospital and the Yakima Chamber of Commerce.

**Thursday**  
**August 19, 1999**

# Hastert: Let the Governing Begin

House speaker says  
Congress is poised  
to bring tax relief  
to the people

By **WES NELSON**  
YAKIMA HERALD-REPUBLIC

As a former high school government and history teacher, J. Dennis Hastert has experience working with children.

So when the 57-year-old Republican lawmaker from Illinois was elected speaker of the House on Jan. 6, succeeding Newt Gingrich, he looked upon the unruly classroom that is Congress and pledged to do the seemingly impossible:

Bring the class to order.

The American people would want it no other way, Hastert said Wednesday in a brief visit to Yakima with 4th District Rep. Doc Hastings, R-Pasco.

In the bitter, acrimonious fallout from the impeachment proceedings against President Bill Clinton, Republicans and Democrats have been less than bipartisan over what to do with a projected federal budget surplus.

The future of Social Security and Medicare, education, defense and tax relief hangs in the balance.

Known as a conciliator, Hastert acknowledged there's a cry to Congress from average citizens to stop bickering, grow up and start governing.

With Hastings — whom he called a "common sense" member of the House rules committee — at his side, Hastert said lawmakers are poised to do just that.

A "lock box" proposal to set aside \$2.2 trillion for Social Security and Medicare reform over the next decade, already given a nod by Clinton and some Democrats, is evidence that



GORDON KING/Yakima Herald-Republic

**Rep. Doc Hastings, R-Wash., greets Rep. Dennis Hastert and helps him smooth down the collar of his coat as Hastert walks into a meeting with party faithful in Yakima on Wednesday.**

some common sense has been restored, Hastert said.

But the proposal is part of an overall tax-relief package that Clinton has threatened to veto.

Hastert, who served as Chief Deputy Majority Whip before his election as House Speaker, believes Clinton will come around.

"The president's a pretty savvy guy. He wants to leave a legacy," said Hastert, who was elected to Congress in 1986.

Some members of a political action group, the Seattle-based Washington Citizen Action, that greeted Hastert and Hastings upon their arrival at Cavanaugh's Gateway Hotel weren't as confident there'll be a legacy where Medicare is con-

cerned.

Partisan bickering threatens the future of the program, group spokeswoman Jo Larsen Ekroth said.

"They keep watching each other, ready to pounce," she said. "I don't like the game of gotcha. I don't think it belongs in a mature democracy."

But the group's main reason for being in Yakima was to target Sen. Slade Gorton's voting record on Medicare — a track record, Ekroth said, that threatens entitlement programs for senior citizens and aging Baby Boomers alike.

Gorton, who is seeking a fourth term, is beholden to campaign contributions from the health insurance and health

care industries, said Ekroth, a Seattle resident who teamed up with Yakima residents such as Aileen Kane, Mary McDaniels, Jack Lines and others with placards and banners outside Cavanaugh's.

"That can't help but color how you see the issues," she said. "We're looking at the Baby Boomers coming up and their children after that. I think Medicare should be something we pass along."

Group members weren't sure if Hastings and Hastert took in their streetside message.

"The security guards got a good look at it," quipped Kane, a Yakima County Democratic Central Committee precinct chairwoman.



# Gorton talks up issues

## ■ IN OLYMPIA:

The incumbent senator is hounded by protesters.

By Bob Partlow

The Olympian

OLYMPIA — Sen. Slade Gorton, tanned, relaxed and at the top of his political game, talked about education, Social Security and natural resource issues in an appearance before the Olympia Rotary Club on Monday at Cavanaugh's at Capitol Lake.

The three-term Republican was greeted by sign-waving



The Associated Press

**PROTEST:** Demonstrators make their case against Sen. Slade Gorton outside Cavanaugh's on Monday. The GOP incumbent got a friendlier welcome from Rotarians inside.

demonstrators charging that his record is abysmal on saving Social Security, improving Medicare or working on other issues important to seniors.

"We wanted to highlight Senator Gorton's negative record on Medicare and Social

See Gorton / A2

## Gorton

From Page One

Security," said Larry Green of Kent. "There are going to be a lot of votes in the future, like on the patients bill of rights, in which he needs to be more senior-friendly."

Gorton had no interaction with the protesters, telling reporters after his speech that he expects them to dog his heels on the campaign trail the next 15 months, as they have in past campaigns.

The theme of his speech was returning power and decisions to individuals.

He told Rotarians he wants to invest surplus money from the Social Security surplus fund back into Social Security, rather than into other federal programs. He also would give individuals more options about what to do with their Social Security accounts.

"We should trust people, in their individual capacities, rather than a government-run system in Washington, D.C., with one set of rules for every individual," he said.

Gorton also called for giving local school districts and officials more say over how to use federal education dollars. Education has not been a big issue for Gorton in the past, but he said it has become one in the past two or three years.



Gorton

made by local groups should receive more financial support. Dam removal is costly and unlikely to bring back salmon runs, Gorton said.

Under questioning from Rotarians, he said Clinton retains substantial political clout, despite the recent sex scandal.

"The president doesn't have any moral political capital at all left with which to deal with Congress," he said. "But he has a very large and continuing degree of power. It's not moral in nature. It's political in nature. But it's very real."

He also said he supports George W. Bush for the Republican presidential nomination.

The former 12-year state attorney general has begun collecting a multimillion war chest for his next election. He has always had tough election battles, losing his seat in 1986 before regaining his place in the Senate in 1988. Two Democrats are seeking their party's nomination to run against him: State Insurance Commissioner Deborah Senn and State Rep. Brian Sullivan, D-Tacoma.

Only 7 percent of the dollars spent by school districts comes from the federal government, he said, but about 50 percent of the rules they must follow flow from the federal government.

Plans he proposed for giving local school officials more say with fewer restrictions have passed the Senate in the past two years but were opposed by President Clinton and in the House.

This year's version would give districts the money with only one condition — local districts had to improve test scores of their students. If they did so after five years, they would be eligible for another five years of money. If they did not, they would have to return the money.

"We ought to trust those people who spend their lives and careers providing education to know better what works than bureaucrats in Washington, D.C.," Gorton said.

Continuing the theme, Gorton said salmon restoration efforts

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HERALD PHOTO — TODD HOUGAS

Tom Swan, executive director of the Connecticut Citizens Action Group, hands fliers to Werner Oyanadel and Nancy Shannahan, both on lunch break Friday at the Capitol.

## Activists protest 'HMO power,' target Johnson

■ The congresswoman received \$55,400 from HMOs in her last election, the group contends

By Scott Whipple  
HERALD REPORTER

NEW BRITAIN — "HMO contributions make us sick!"

That was the cry at bake sales held around the state Friday by the Connecticut Citizen Action Group (CCAG), believed to be the state's oldest and largest citizen watchdog organization.

People with low income, dropped from Medicare, who have no insurance or access to elected officials, got a voice Friday in four Connecticut communities.

The principal target of

CCAG efforts was Sixth District Congresswoman Nancy Johnson, who received \$55,400 from HMOs in her 1998 election.

"This was the highest of all Connecticut Congressional members," said Suzanne Haviland, CCAG's health policy director. "She's the only state congressperson to not sign onto H.R.2723 (the new bipartisan patient's rights bill, the Managed Care Improvement Act)."

David White, Johnson's press secretary, said that "anyone familiar with Nancy's record knows that she's a leader on health care issues and an advocate of a strong patient's bill of rights. The fact that the Patient Advocate Foundation gave her its

See HMOs, Page A8

## ● HMOs target of protest

From Page A1

'National Health Care Humanitarian Award' last month clearly demonstrates that she is fighting hard to improve our health care system so patients can get the care they need." Haviland explained that CCAG was holding bake sales in Enfield, New Milford, New Britain and Hartford, to call attention "to the health care crisis." She said the crisis was growing and that thousands of people are due again to be dropped from Medicare HMOs on Jan. 1. "As long as HMOs continue to enjoy an unfair advantage under the current campaign finance system, the chance of reform is slim," she said.

Congress is expected to take action this fall on several important issues involving HMOs, including H.R.2723 and controversial legislation to further privatize and deregulate the traditional Medicare system. Haviland said the bake sales were a means of educating the public about how they can help to change the health care and campaign finance systems. Money raised from sales will be used to send an uninsured person and/or an HMO victim to Johnson or another political candidate's next fund-raiser. By mid-afternoon the CCAG had raised \$310 of their goal of \$500 through bake sales.

Through short skits, CCAG members acted out their belief that HMOs were being auctioned off to the highest bidders. They

hoped to convince their sidewalk audience to pressure Johnson to vote against the privatization of Medicare, and to vote for a comprehensive campaign finance reform.

In New Britain, CCAG chose 9 Liberty Square across from New Britain Superior Court because they were looking for a place of activity in Johnson's district. Kristin Perreault of Hartford, director of the skits, explained that "basically we have an auctioneer, auctioning off Nancy Johnson's votes on certain health care issues, such as the right of a person to gain access to emergency room care without prior authorization from their HMO."

Tom Swan, CCAG's executive director, said "when elections were financed by moneyed interests like HMOs, it's no wonder we have a health care system where rationing decisions are driven by Wall Street investors. This system undermines the principle of 'one person, one vote,' and worse, the growing health care crisis in America."

"HMOs bundle thousands of dollars to candidates when the average citizen can't afford a \$500 ticket to a fund-raiser," said Eric Bailey, CCAG's communications director. "By holding these bake sales to send an HMO victim and/or uninsured person to a fund-raiser, we hope to draw attention to these flawed systems."

CCAG supports expanding the Medicare program as a future model for universal health care.



# 25th Anniversary THE HARTFORD ADVOCATE

## Half-Baked Healthcare

Last Friday Hartford's lunch-on-a-truck crowd in Bushnell Park got treated to brownies, cinnamon cookies and other PTO specialties, part of a Connecticut Citizen Action Group (CCAG) fundraising effort to raise awareness about the dismal state of health care insurance and Congresswoman Nancy Johnson's half-baked ideas about coverage.

According to CCAG, Johnson (R-Sixth District) received \$55,400 in campaign contributions from HMOs in her 1998 campaign. This would be in very direct contrast to congressmen Sam Gejdenson and Jim Maloney, who each took nothing, and even First District representative John Larson, who represents the Insurance City but only received \$29,000. All told Johnson received 62 percent of all HMO contributions to Connecticut's six congressional candidates, according to CCAG. Contributors were Aetna, Oxford Health Plans, Cigna and Blue Cross Blue Shield.

Not surprisingly, Johnson is also the only Connecticut rep who has not signed on to the proposed Managed Care Improvement Act. This bill would let patients sue their HMOs in state courts for damages if they are injured because a covered benefit was denied or

delayed by the company. The measure will come up for a vote after the House comes back from its various August watering holes.

In the meantime CCAG hopes to raise enough money to send one HMO victim and an uninsured person to a Johnson fundraising dinner. Executive director Tom Swan says the storm-the-citadel approach would be effective in meeting Johnson on her own level. At worst, she'll be forced to squirm a little in front of her backers.

"We know our side can't equal the money of the other side, but we're just looking for creative ways to raise awareness about this issue," Swan says.

The Hartford event was topped off with a stirring guerrilla theater performance: On one side of the stage, were little old ladies. On the other, guys in suits. An auctioneer presented placards with various health care issues written on them for the rich business men and poor pensioners—to bid on. Guess who won?

—Dan Levine

hit  
&  
fun

# Seniors hit hard by hike in drug costs

## Many make trek into Mexico for better deal on pricey pills

BY JENNIFER MARKLEY  
THE TRIBUNE

A simple trip to the neighborhood drug store won't be enough to keep Dorothy Carlson's medicine cabinet full until the end of the year.

The 78-year-old is one of millions of senior citizens trying to battle rising drug costs.

Families USA, a national consumer group, released a study Wednesday showing that 50 top-selling prescription medications commonly used by seniors have risen at twice the rate of inflation. Last year, they rose by more than four times that rate.

Today, the Mesa resident and her husband plan to take the 200-mile trek to Nogales, Mexico, for the prescription drugs they can no longer afford.

"I have to have them," Carlson said. "What else can I do but go to Mexico?"

The results of the study give a preview of what investigators may find out from a 90-day probe of prescription drug prices launched last month by President Clinton. He announced the probe after the drug industry, fearing government price controls, fought his proposal to extend prescription benefits to Medicare recipients.

But Valley seniors say they already know the burden of prescription costs. Typical daily regimens of two to seven medications mean seniors on traditional Medicare pay hundreds of dollars a month for pills.

Fortunately, more than half the seniors in the Valley have prescription coverage through health

### MORE INSIDE

► Tips for buying drugs in Mexico, **A4**

► A look at rising drug costs, how U.S. prices compare with Mexico, **A4**

Please see **DRUG**, Page **A4**

# THE TRIBUNE

SERVING THE COMMUNITIES OF THE EAST VALLEY

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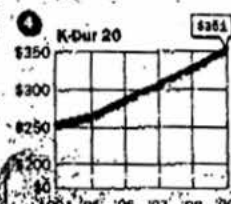
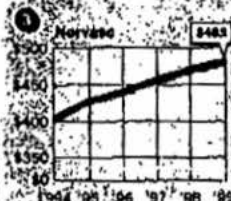
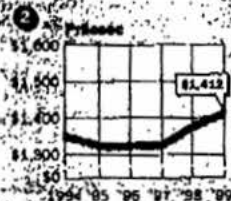
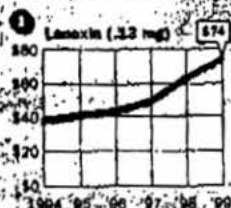
THURSDAY

NOVEMBER 4, 1999



## Rising prices

The cost of prescription drugs has risen steadily this decade. The annual sale of the top four most commonly prescribed drugs for the elderly in the United States provides a snapshot.



SOURCE: Farnham USA

SCOTT KIRCHHOFFER/TIMELINE



K. SCOTT THOMAS FOR THE TRIBUNE

Costly medication: Dorothy Carlson dreads a likely trip to Mexico to pick up needed medication such as this \$240 bottle of Zocor that her HMO will not cover.

## DRUG: Cost hurting seniors

From Page A1

Maintenance organizations or Medicaid policies. Starting next year, nearly every major health plan for seniors on Medicare will reduce prescription benefits and increase co-payments on office visits and medications.

That's bad news for Carlson, who already has hit her annual \$1,500 drug policy maximum through her health care provider. In October, she got some free samples from her doctor, but for the next two months Carlson is on her own for her heart medication, cholesterol-lowering drugs and diabetes medicine. The latter alone costs more than \$240 each month.

Now, it's off to Mexico.

"I think it stinks," she said. "There's no reason in the world why this medication is so high that we can't afford it."

Carlson will join the daily throngs of gray-haired groups who park on the U.S. side and shuffle across the border to the land of cheap medicine.

Drug company representatives say their medications are less expensive in Mexico because the cost of living is lower.

"You'd have to price them to the economics of scale or they would be out of reach for all Mexican patients," said Jackie

Cottrell, a spokeswoman for the Pharmaceutical Research and Manufacturers of America.

Critics say drugs in the U.S. are out of reach for many of the estimated 34 million seniors nationwide without prescription coverage.

To get by, many seniors turn to their doctors for free samples. Others ration their pills so they last longer. Some simply leave the doctor's office and never fill their prescription.

"This is the worst I've seen it," said Mr. Kirk Butler, who practices in Chandler. "Always this time of year people run into trouble. We try to give free samples, but we run out."

Leaders from drug manufacturers say their price tags are high because of the huge costs of research and development.

"It takes about a half billion dollars to bring one medication to market," Cottrell said.

And private pharmaceutical

### South of the border

Several drugs commonly used by senior citizens are much cheaper in Mexico than in the United States. Here are a few comparisons:

|                                 | Arizona | Mexico |
|---------------------------------|---------|--------|
| Zocor 20 mg, one-month supply   | \$115   | \$25   |
| Lipitor 10 mg, one-month supply | \$111   | \$41   |
| Prozac 20 mg, 100 capsules      | \$252   | \$89   |

SOURCE: Pulgarcia &amp; Pharmacia de Mexico in Nogales, Sonora, Mexico

TRIBUNE

companies are the nation's biggest investor in new medications.

"Pharmaceutical companies put 140 new medications in the medicine cabinet each year," Cottrell said. "When the pharmaceutical industry is doing well, patients are doing much better."

But Families USA reports that drug companies may be doing too well. In 1998, 24 pharmaceutical companies that produced the 50 top-selling drugs among seniors made a 20 percent median profit. In comparison, the median profit for all Fortune 500 companies was 4.4 percent, according to Families USA.

"Drug companies just make a

huge amount of money and this is how they do it," said consumer activist Jim Driscoll, referring to the Families USA report. "They shouldn't be able to gouge seniors."

Driscoll, who heads Arizona Citizen Action, said he plans to push for state legislation that would give seniors the same prescription discounts that health plans receive because they buy in bulk.

Anne Lindeman, executive director of the Governor's Advisory Council on Aging, is trying to get money from Arizona's tobacco settlement so that seniors in rural areas, who don't have access to HMOs, can buy prescriptions.

The funds could come from an initiative being prepared for next November's ballot by the Arizona Hospital and Healthcare Association. Until then, many seniors will struggle to pay for medications, said Lindeman.

And some may travel to Mexico.

"Where do you turn to now?" said Carlson. "We'll just have to take a ride."

Tribune writer Jennifer Markley can be reached by e-mail at [jmarkley@aztrib.com](mailto:jmarkley@aztrib.com) or by calling (480) 898-6842.

## NATION

# Elderly hit hard by drug-price rise, consumer group says

By Larry Winkler  
Special News Service

WASHINGTON — Price increases for drugs most commonly used by older Americans have outpaced inflation for the past five years, further evidence that Congress should expand Medicare to include an outpatient prescription drug benefit, Democratic House members and a leading health care advocacy group said Wednesday.

"Pharmaceutical companies are raising drug prices on the backs of America's seniors, and these vital medicines are increasingly unaffordable for older Americans," said Ron Pollack, executive

director of Families USA, a liberal consumer health advocacy organization.

In 1998, the wholesale price of the top 50 drugs most commonly prescribed to seniors increased by 6.6 percent on average, more than four times the 1.6 percent increase in the Consumer Price Index for the year, according to the Families USA study.

In a written statement, the Pharmaceutical Research and Manufacturers of America said the study was not accurate. "The data are not representative and shed no new light on the real debate," the statement read.

The Families USA analysis looked at

drug price increases based not only on the wholesale price but also on market share for each drug.

Since 1994, some drugs frequently prescribed for older Americans have seen exponential price increases, according to the report, which was prepared for Families USA by University of Minnesota researchers.

Although 39 million elderly and disabled Americans have health insurance through Medicare, the program does not pay for outpatient prescription drugs.

Approximately two-thirds of Medicare beneficiaries have prescription drug insurance, either through a private

or an HMO, Medicaid policies or Medicaid. However, many of those policies are expensive, inadequate and are becoming less available to retirees.

President Clinton and Democratic lawmakers proposed giving elderly Medicare beneficiaries the same prescription drug price breaks available to younger workers enrolled in managed care programs. But the cost of subsidizing such a Medicare expansion would be immense.

Republican lawmakers favor a limited new benefit focusing on the one-third of Medicare beneficiaries — mostly low-income retirees — who have no prescription drug coverage.

## FIN

Here are some examples of drug price increases since 1994 cited in the Families USA analysis:

- **Lanoxin**, used to treat congestive heart failure and one most frequently prescribed medicine for the elderly, rose by 90 percent, from \$39 for a year's worth to \$74.
- **Imdur**, used to treat angina, rose by 122 percent, from \$237 per year to \$525.
- **Loxapine**, used to treat anxiety, convulsions and Parkinson's, rose by 384 percent, from \$97 per year to \$468.

Source: Connors News Services

Arizona Republic Nov. 4, 1999 (Thursday)

# Rx prices skyrocket for elderly

Few have coverage to offset increases nearly double the rate of inflation.

By ANNE Y. DENOGEAN  
Citizen Staff Writer

A new report shows prices for the 50 prescription drugs most used by retirement-age Americans rose 25 percent over the past five years, nearly twice the inflation rate for the same period.

"But you don't have to tell that to Jeanne Connell."

The 69-year-old Tucson retiree takes seven medications daily, and she's feeling the pinch.

"My feeling is... that the pharmaceutical companies have just gone crazy and are out to make every penny they can," Connell said yesterday.

And prescription prices are continuing to rise.

From January 1994 to January 1999, the average increase was 6.6 percent, said Ron Pollack, executive director of the Washington, D.C.-based consumer advocacy group Families USA.

That's four times the general rate of inflation.

"While the pharmaceutical industry continues to be the most profitable industry in America, it keeps drastically raising the prices of the drugs most commonly used by seniors," Pollack said as the group released its report yesterday.

"Pharmaceutical companies are raising drug prices on the backs of America's seniors, and these vital medicines are increasingly unaffordable for older Americans," he added.

In a written statement, the Pharmaceutical Research and Manufacturers of America said the study was inaccurate and irrelevant.

"The data are not representative and shed no new light on the real debate," the statement read.

The pharmaceutical group says on its Web page that drug

prices overall rose only 1.4 percent between June 1997 and June 1998.

Although all age groups use the 50 drugs studied by Families USA, the elderly are being hardest hit because Medicare does not cover prescription drugs - unless the patient is in a hospital, Pollack said.

And, he said, supplemental coverage is expensive and limited.

About 35 percent of Medicare beneficiaries - 14 million people - have no coverage at all for prescription drugs, he said.

And the plans the elderly turn to for drug coverage - employer-sponsored retiree plans, Medigap or supplemental insurance and Medicare LDMs - are charging higher premiums, co-pays and deductibles and setting lower caps on total drug coverage. Also, nearly all are raising their co-pays for doctor visits, hospital stays, lab tests and ambulance rides.

Beginning in January, for example, Arizona participants in the CIGNA Health Care for Seniors plan will see their total drug coverage drop from \$1,200 a year to \$500 annually.

Also starting next year, seniors in United HealthCare's Medicare Complete plan will pay \$45 for a brand-name prescription drug, three times what they pay now.

Connell, who is signed up with United, said if she doesn't switch plans, the changes will double her monthly drug bill from \$65 to \$125, a significant hardship for someone who makes ends meet each month on a \$869 Social Security check.

Combine that with the other increases in co-pays

PRICES, continued 3A

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First Edition

## Tucson Citizen

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Tucson Citizen

3A

# Prices on prescription drugs for senior citizens skyrocket

Continued from 1A

and she said, "I couldn't afford to be treated. I'd just have to go off ... and die."

She added, "The seniors I've encountered ... are just absolutely totally confused about the situation and totally discouraged about any type of health care."

"It's very, very scary," she said. Pollack noted that seniors are at risk of losing even these limited plans.

The HMOs are dropping some non-profitable plans. In Arizona, nearly 31,000 seniors, including about 6,500 in Pima County, will lose their Medicare-managed-care plans at the end of this year.

Steve Grabel, ombudsman with the Pima Council on Aging, said seniors are having to make harmful choices.

"We had a woman call us the other day who said she couldn't afford her medication so she was going to cut back and just take it every other day," he said.

"We literally have people who are not taking their medications. They wind up in the hospital because they have not taken their medications," Grabel said.

Jim Driscoll, executive director of the advocacy group Arizona Citizen Action, which released the drug study in Arizona, said there is an unfair image of seniors as "greedy geezers."

Half of all seniors live on \$15,000 a year or less, he said, and one-third of them live on less than \$10,000 per year.

The really "greedy geezers" are the drug companies that reap in profits of 20 percent and more, Driscoll said.

Pollack said the median net profit for the manufacturers of the 50 most prescribed drugs in 1998 was 20 percent vs. 4.4 percent for all Fortune 500 companies.

Pollack said discount programs exist in the marketplace but seniors, who account for about one-third of dollars spent on prescription drugs, can't take advantage of them.

"HMOs and other institutional purchasers get sharp discounts on prescription drug prices, but for most seniors who don't have a prescription plan or have a very expensive one, they can't reap the reward of these benefits and have to pay full, not discounted, prices for drugs," he said.

The most immediate way to help seniors is to cover drugs under Medicare nationally, a proposal that may have some hope next year since it is an election year, Pollack said.

"It is unconscionable that the sickest and oldest Americans go without prescription drug coverage as part of their basic benefit package," he added.

Driscoll agreed but said Arizona doesn't have to wait for the federal government.

"We intend to see that legislation is introduced to stop this gouging of senior citizens," he said.

Anne T. Denogean's e-mail: [adenogean@tucsoncitizen.com](mailto:adenogean@tucsoncitizen.com)

## Advocate: Seniors at mercy of drug firms

By ANNE T. DENOGEAN  
Citizen Staff Writer

Why are drug companies' increasing their prices beyond the rate of inflation?

Because they can, said Ron Pollack of Families USA, which yesterday released the report, "Hard to Swallow: Rising Drug Prices for American Seniors."

The report found that prices for the top 50 prescription drugs used by retirement-age Americans have increased by 25 percent over the past five years—twice the rate of inflation.

When faced with comprehensive health care reform in the early '90s, drug manufacturers promised to keep prices increasing at no more than the rate of inflation, Pollack said.

They did for a while, but no longer feel threatened, he said.

Drug manufacturers also are able to get members of Congress on their

side to extend patents and therefore extend monopolies, keeping prices high, Pollack said.

Families USA ranked the 50 top-selling drugs by using data from the Pennsylvania Pharmaceutical Assistance Contract for the Elderly, the largest outpatient prescription drug program for older Americans.

The prices were analyzed at the University of Minnesota.

Some of the notable drug price increases:

■ Lorazepam, used to treat Parkinson's disease, cost \$99 for a year's supply in 1994. It now costs \$469 per year. That's a price increase of more than 385 percent in the past five years and 30 times the rate of inflation.

■ Lisdex, used to treat angina and the seventh-most prescribed drug for seniors. Its price increased 10 times over the past five years, going from

\$237 per year in 1994 to \$3,525 per year in 1999. That's more than 111 percent over the past five years, and almost nine times the rate of inflation.

■ Lanoxin, used to treat congestive heart disease and the most prescribed drug for seniors, increased in price by more than 87 percent in the past five years or almost seven times the rate of inflation.

■ Atrovent, used to treat respiratory illnesses, increased in price eight times and went from \$362 per year in 1994 to \$3,466 per year in 1999. That's a 57 percent price increase and almost triple the rate of inflation.

■ Propulsid, used to treat gastrointestinal problems, went from \$876 per year in 1994 to \$1,171 per year in 1999. That's 30 percent or more than double the rate of inflation.

The Associated Press contributed to this report.



# Kolbe urged to back popular HMO reform

By Jane Erikson

The Arizona Daily Star

A handful of physicians and other demonstrators gathered outside the office of Rep. Jim Kolbe yesterday to protest the congressman's refusal to support a popular HMO reform bill.

Kolbe, R-Ariz., has not yet decided which of several reform proposals he will support, but will vote for one or introduce his own, according to a statement issued by his office.

Kolbe wants "to guarantee that health is not subordinated to whimsical or improper HMO financial considerations. He is also fearful of legislation that will precipitate new rounds of lawsuits and litigation," the statement said.

Ian Robertson, president of the Southern Arizona Council of the AFL-CIO, said he supports a bipartisan House bill authored by Reps. Charles Norwood, R-Ga., and John Dingell, D-Mich.

"Working families need to make sure that they can take care of their health care needs," Robertson said yesterday. "HMOs are being run by corporate executives, and doctors are not having the ability to make decisions that are in favor of the worker."

The Norwood-Dingell bill was drafted last month, following passage in July of a watered-down Senate Patient Bill of Rights.

Norwood-Dingle would give all Americans with HMOs and other insurers the right to sue their plans over coverage denials.

The bill has been signed by at least 22 House Republicans. Its supporters include the American Medical Association.

Rep. John Shadegg, R-Ariz., is co-author of a House Republican version still in the drafting stage.

Dr. Bruce Roberts, a psychiatrist and family practice physician, said he considers it

crucial that Congress pass "some reasonable patient Bill of Rights."

"The playing field has been so skewed in favor of insurance companies that physicians really don't have a leg to stand on and get the kind of care that patients need and deserve," Roberts said.

Under current reimbursement rates, Roberts has to see a patient every 15 minutes, he added. But so much of each 15 minutes is taken up with getting health plan approvals and filling out "an inordinate amount" of paperwork, he has only two or three minutes with each patient, he said.

Dr. Keith Dveirin, a pediatrician, said HMOs don't always follow the childhood immunization recommendations of the Centers for Disease Control and Prevention and the American Academy of Pediatrics.

"We need to put pressure on Congress" to ensure such compliance, Dveirin said.

# Elderly plead for drug cost help

## Messages flood into Baldwin's D.C. office

By Samara Kalk

The Capital Times

Rep. Tammy Baldwin's Washington, D.C., office has been receiving countless letters, calls and e-mails from senior citizens concerned about the ever-increasing cost of prescription drugs.

The flood of mail is in response to cards the Madison Democrat sent out last month promoting her co-sponsorship of the Prescription Drug Fairness for Seniors Act.

"This is obviously a significant issue to millions of people in this country," said Jerilyn Goodman, Baldwin's press secretary. "The response to the mailing was really overwhelming."

During the summer and fall, Baldwin has traveled around Wisconsin's 2nd Congressional District holding "Senior Speak Out" sessions in Stoughton, Portage, Baraboo, Verona, Mineral Point and Richland Center.

The cost of prescription drugs is an issue that came up over and over, Baldwin said.

According to a report released Wednesday by the consumer watchdog group Families USA, prescription drug prices increased four times faster in 1998 than the rate of inflation.

From January 1998 to January 1999, the rate of inflation was 1.6 percent and the prices of the 50 most prescribed drugs for older Americans rose 6.6 percent, according to the new report, "Hard to Swallow: Rising Drug Prices for America's Seniors."

The legislation Baldwin is pushing would reduce prescription drug prices for the elderly by more than 40 percent by allowing pharmacies that serve Medicare beneficiaries to offer pharmaceuticals at the same low prices that drug companies give to HMOs, hospitals and the federal government.

Getting the Prescription Drug Fairness for Seniors Act passed in the current Congress is impossible, Goodman said.

"The Republican leadership in the House just shelves it. They are



RICH RYGH/THE CAPITAL TIME

Elizabeth Schuck of Madison, a member of the Dane County SOS Senior Council, speaks Wednesday before a Wisconsin Citizen Action gathering about drug prices.

not willing to deal with it even though it seems to have strong bipartisan support," she said.

The Prescription Drug Fairness for Seniors Act would protect senior citizens from drug price discrimination and make prescription drugs available to Medicare beneficiaries at dis-

counted prices, according to Wisconsin Citizen Action, the state's largest consumer group representing 58,000 Wisconsin families and 200 organizations.

"So many seniors out there are spending more money for prescription drugs than they should be," said Carolyn Morgan, a Bal-

dwin representative.

"It's pretty discouraging, especially when you get a letter from an 84-year-old woman saying that she is spending so much money for prescription drugs that she hopes she's not around much longer to endure this," Morgan said. "That's really sad."

# Cost of drugs prescribed for seniors far outpaced inflation rate, study says

By KAWANZA L. GRIFFIN  
of the Journal Sentinel staff

The cost of commonly prescribed medications for seniors outpaced inflation over the past five years, averaging four times the rate of inflation in just the last year, according to a report released Wednesday by Wisconsin Citizen Action and Families USA.

Prices of 50 drugs used most frequently by the elderly increased by 6.6% from January 1998 to January 1999, compared with the inflation rate of 1.6%.

But not all drugs are equal. More drastic cost increases were seen for other drugs:

■ Lanoxin, used to treat congestive heart failure and the most commonly prescribed drug for seniors, increased more than 87% in the past five years, and 15% last year.

■ Imdur, used to treat angina, increased by more than 111% over the past five years, going from \$237 per year in 1994 to \$525 per year in 1999.

■ Lorazepam, used to treat Parkinson's disease, increased by 279% last year, and more than 385% in the past five years.

Despite intense scrutiny over steadily increasing prices of prescription medications, manufacturers of the commonly prescribed medications managed a 20% profit margin in 1998. This was nearly five times greater than the 4.4% median net profit of all Fortune 500 companies.

The study used information from 241,496 people in the 1998 Pennsylvania Pharmaceutical Assistance Contract for the Elderly, an outpatient prescription drug program for older Americans.

**Citizen groups say trend shows medications should be covered by insurance**

to cover prescribed drugs; they just choose not to."

Responding to the study, the Pharmaceutical Research and Manufacturers of America said the drug industry plows 21% of its revenue back into research to find new cures and treatments.

"Any time a senior lacks access to our medicines, the pharmaceutical industry is concerned," said the association in a written statement.

The statement also contended that the Families USA study is skewed by a few drugs that have seen unusually big markups in recent years, including some made by generic drug companies whose pricing policies are under investigation by the Federal Trade Commission.

The Associated Press contributed to this report.



## Drug prices on the rise

How prices of the prescription drugs most often used by the elderly have increased in relation to inflation:

| BRAND NAME   | USE                         | COST PER YR. | CHANGE  |         | Annual percentage increases* |
|--------------|-----------------------------|--------------|---------|---------|------------------------------|
|              |                             |              | '98-'99 | '94-'99 |                              |
| Lanoxin      | Regulates heartbeat         | \$74         | 15.4%   | 87.6%   |                              |
| Prilosec     | Stomach acid reducer        | \$1,455      | 2.7%    | 4.4%    |                              |
| Norvasc      | Hypertension, angina        | \$483        | 2.6%    | 16.8%   |                              |
| K-Dur 20     | Potassium supplement        | \$365        | 6.2%    | 39.0%   |                              |
| Pepcid       | Stomach acid reducer        | \$646        | 3.1%    | 18.7%   |                              |
| Imdur        | Heart drug (angina)         | \$525        | 9.6%    | 111.2%  |                              |
| Synthroid    | Thyroid hormone             | \$108        | 9.8%    | 37.8%   |                              |
| Vasotec      | Hypertension, heart failure | \$398        | 3.2%    | 19.2%   |                              |
| Procardia XL | Hypertension, angina        | \$505        | 2.6%    | 16.8%   |                              |

\*Based on Oct. 1999 price

Source: Compiled by PRIME Institute, Univ. of Mass. Knight-Ridder Tribune, Associated Press.

JONATHAN PUGH/Associated Press

The program filled over 9 million prescriptions last year.

"The pharmaceutical industry is making millions by raising the prices of the drugs seniors use most," said Sam Gieryn, health care coordinator for Wisconsin Citizen Action in a written statement.

"As industry executives grow richer and drug company profits escalate, America's seniors are increasingly unable to afford the medications they need."

Wisconsin Citizen Action is a consumer group that seeks affordable health care.

Families USA is a national non-profit, non-partisan health care consumer group.

Although older Americans tend to fill more prescriptions than any other age group, most do not have prescription drug insurance coverage.

"The common belief is that once you get 65, you will have medical care," said Stephanie Stein, director of the Milwaukee County Department on Aging.

"Although this is true, most people don't realize that it doesn't cover any of the medicines they will need."

And most seniors are reluctant to tell anyone, especially their doctors, that they can't afford to fill their prescriptions, Stein said.

As a result, many find "creative ways" of getting the most out of their medication.

They may take half of their required doses to make it last longer, or not get a prescription filled when a doctor changes their medicines, said Mary Colilla, a nurse case manager at Family Service of Milwaukee.

Some seniors also keep outdated medicines, risking additional health complications due to possible changes in the chemical stability of the medicine, she said.

Many senior organizations advocate adding prescription drug coverage to health plans. The Wisconsin Council of Senior Citizens Inc. is among those that believe Medicare plans should be revised to address this need.

"Manufacturing, marketing and distributing costs do not constitute the increase in pricing seen here in the U.S.," said Carston Koeller, president of the council.

"It's not that the government can't afford to do more to help

Seniors on fixed incomes struggle to pay for expensive medicine that they need, and a recent study suggests it doesn't need to be that way.

## Drug prices put squeeze on the elderly

By Dee J. Hall  
Wisconsin State Journal

Milele Chikasa Anana, a retired computer technician who publishes Madison's African-American magazine, Umoja, has seen her retirement income steadily disappear over the pharmacy counter.

Anana — who retired early six years ago because she suffers from diabetes, glaucoma, a thyroid deficiency and a rare hormonal condition — spends about \$310 a month on prescriptions. That's a large chunk of her \$850 Social Security check.

"I worked all my life and had insurance but didn't need the drugs," said Anana, of Madison. "Now I need the drugs, but I can't afford the coverage."

"The drug costs," she added, "are simply out of control."

Anana is among the millions of U.S. retirees struggling under the rapidly increasing cost of prescription drugs. Most of the elderly have little or no insurance coverage for the cost of prescriptions.

In a report released Wednesday, Families USA found that the prices of the 50 drugs used most by senior citizens increased, on average, four times the rate of inflation in the past year. In the meantime, pharmaceutical companies continued to reap profits that far outpaced many other businesses, according to the group, which is a nonprofit advocate for health-care consumers.

"The pharmaceutical industry is making millions by raising the prices of the drugs seniors use most," said Sam Gieryn, health-care coordinator for Wisconsin Citizen Action.

which also released the Families USA report Wednesday at a Madison news conference.

"As industry executives grow richer and drug company profits escalate, America's seniors are increasingly unable to afford the medications they need."

Wisconsin Citizen Action is part of a 17-state campaign that, among other things, is pushing Congress to change Medicare — the national health-insurance program for people 65 and older — to cover the cost of prescription drugs. Some seniors purchase supplemental insurance that may cover some medication costs, but often those policies have high deductibles



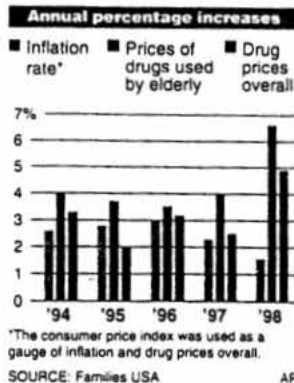
**'I worked all my life and had insurance but didn't need the drugs. Now I**

**need the drugs, but I can't afford the coverage.'**

Milele Chikasa Anana

### Drug prices soar

Prices for the prescription drugs most often used by older Americans are rising far beyond inflation.



PAGE 1 !!



# Prescription drug costs hit elderly

How prices of the top 10 prescription drugs used by the elderly have increased:

| Brand name     | Use                         | Cost per yr.* | % chg. '98-'99 | % chg. '94-'99 | Maker          | Net profit '98 |
|----------------|-----------------------------|---------------|----------------|----------------|----------------|----------------|
| Lanoxin/.13 mg | Regulates heartbeat         | \$74          | 15.4%          | 87.6%          | Glaxo Wellcome | n/a            |
| Prilosec       | Stomach acid reducer        | \$1,455       | 2.7%           | 4.4%           | Astra          | 20.6%          |
| Norvasc        | Hypertension, angina        | \$483         | 2.6%           | 16.8%          | Pfizer         | 23.0%          |
| K-Dur 20       | Potassium supplement        | \$365         | 6.2%           | 39.0%          | Schering       | 21.4%          |
| Pepcid         | Stomach acid reducer        | \$646         | 3.1%           | 18.7%          | Merck          | 20.0%          |
| Lanoxin/.25 mg | Regulates heartbeat         | \$74          | 15.4%          | 87.6%          | Glaxo Wellcome | n/a            |
| Imdur          | Heart drug (angina)         | \$525         | 9.6%           | 111.2%         | Schering       | 21.4%          |
| Synthroid      | Thyroid hormone             | \$108         | 9.8%           | 37.8%          | Knoll          | 6.0%           |
| Vasotec        | Hypertension, heart failure | \$398         | 3.2%           | 19.2%          | Merck          | 20.0%          |
| Procardia XL   | Hypertension, angina        | \$505         | 2.6%           | 16.8%          | Pfizer         | 20.6%          |

\*Based on Oct. 1999 price

SOURCE: Compiled by PRIME Institute, Univ. of Minn. for Families USA

JUDY TREIBLE/Research; LEE HULTENG/KRT graphic

## Drugs

Continued from Page 1A

or co-pays, Gieryn said.

The study, conducted for Families USA by University of Minnesota researchers, measured changes in the wholesale price of a year's supply of drugs at common dosages.

In 1998, wholesale prices for 50 prescriptions commonly filled by the elderly rose by 6.6 percent even though the overall inflation rate that year was 1.6 percent, according to the study.

The research also found that in the five-year period between January 1994 and January 1999, prices for the same prescriptions rose 25.2 percent, nearly double inflation generally, which was 12.8 percent.

Families USA said that the median profit reported in 1998 by the companies making these drugs was 20 percent, compared to a me-

dian profit for Fortune 500 companies of 4.4 percent.

Responding to the study, the Pharmaceutical Research and Manufacturers of America said the drug industry plows 21 percent of its revenues back into research to find new cures and treatments.

"Any time a senior lacks access to our medicines, the pharmaceutical industry is concerned," the association said in a written statement.

The statement also contended that the Families USA study is skewed by a few drugs that have seen unusually big markups in recent years, including some made by generic drug companies whose pricing policies are under investigation by the Federal Trade Commission.

Speaking at a press conference at the Madison Senior Center Wednesday, Madison retirees Walter and Elizabeth Schuch said they spend at least \$130 a month on prescription drugs, mostly to treat Walter's diabetes and high blood pressure.

"Most families with average incomes would struggle to afford another \$130 bill, but for senior couples like us living on less than \$22,000 per year, it's very difficult to handle the increases," Elizabeth Schuch said.

In a prepared statement, Ron Pollack, executive director of Families USA, called it "unconscionable that the sickest and oldest Americans go without prescription drug coverage as part of their basic benefit package."

"Seniors can't take advantage of the many discounts in the marketplace for prescription drugs," Pollack added. "HMOs and other institutional purchasers get sharp discounts on prescription drug prices, but most seniors... have

to pay full, not discounted, prices for drugs."

Anana said that's true for her. She pays \$112 a month for one drug that her old HMO can purchase today for \$74 a month.

U.S. Rep. Tammy Baldwin, D-Wis., is a sponsor of the Prescription Drug Fairness for Seniors Act of 1999, which would allow Medicare recipients to pay the same prices the federal government pays for prescription medicines.

Baldwin spokeswoman Jerilyn Goodman said the legislation is stalled because "the Republican leadership is not considering it at this time."

"The report... reinforces the need to pass meaningful legislation to help seniors afford the medication that helps them maintain their health," Baldwin said in a written statement. "It is tragic that some of our friends and neighbors are choosing between food and needed medicines."

Marie Hornes, a social worker at the UW Geriatric Clinic, said she sees families making huge financial sacrifices to pay for critically important drugs such as Aricept. That medication allows people with Alzheimer's disease and other forms of dementia to function, but it costs up to \$150 a month, she said. Only about a fourth of her patients have any insurance coverage for drugs, she said.

"I've been working with the elderly since the early 1980s," Hornes said. "It (prescription drug coverage) has always been an issue, but I do see it intensifying because it seems to me that the drugs are costing more and more."

"I really worry about a lot of our patients."

— The Associated Press contributed to this report.

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INSIDE TODAY

## TEMPEST IN A TOILET

Low-flow toilets, which save water, draw ire of consumers, congressman  
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# The Journal Times

RACINE, WISCONSIN

FRIDAY, SEPTEMBER 10, 1999

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## Study fuels Medicare-HMO debate

### Rural areas poorly served

BY DAVID STEINKRAUS  
*Journal Times*

**IVES GROVE** — A new study about the lack of Medicare HMO service in rural areas served as the starting point for some local people to express their concerns about the prospects for national Medicare reform.

The study was released Thursday by Families USA, a nonprofit health care advocacy group based in Washington, D.C., and was talked about by

people at a press conference at the county's Ives Grove office complex Thursday afternoon.

The study says 73 percent of rural people receiving Medicare live in counties not served by any HMO that accepts payments under the Medicare+Choice program. The study also says only 27 percent of rural Medicare recipients live in a county served by one or more HMOs.

Yet HMOs get fat on federal dollars and hurt the Medicare system, said Sam Gieryn, health care task force coordinator for Wisconsin Citizen Action. By operating only in certain places and accepting only certain clients, the HMOs serve people whose care costs are lower than the



Plache

system, and the HMOs grow rich on federal payments, he said.

"When they find that the profits there are not high enough, they leave," he said.

That's what happened recently in

Medicare reimbursements approved for their treatment, he said. So that money is not available to help pay the cost of health care for the really sick people whom the companies won't insure and who are left to the Medicare system.

Racine County when PrimeCare Health Plan Inc. and Humana announced they would no longer offer supplemental Medicare insurance to people in Racine County. Humana will stop doing business in the state entirely; PrimeCare will continue to serve people in Milwaukee County. At

In the meantime, Congress must act on Medicare reform legislation this year. President Clinton has introduced one plan, and there may be another from legislators who were on the National Bipartisan Commission.

► More on **STUDY**, Page 13A

### ON THE INTERNET:

If you have Internet access and you want to read the full report about rural HMO access, you can visit the Families USA Web site at: [www.familiesusa.org](http://www.familiesusa.org). Information about the National Bipartisan Commission on the Future of Medicare and its report is available at its Web site: <http://rs9.loc.gov/medicare>



### Focus: Your Health

Health problems car

### STREET SCENE

GE 1A

● The Journal Times Friday, September 10, 1999

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## GONZALES STUDY / Medicare

om Page 1A

ink to make it appear as if there had been a struggle.

Gonzales then walked to the Greyhound Bus terminal in Milwaukee and rehearsed a ticket to Salt Lake City, reports said. The bus arrived in Utah at 9 a.m. Sept. 2, according to Baldukas.

Gonzales told agents he wandered around the city for a while, picked up some literature on the state's national parks and decided to go to Canyonlands National Park.

He found a shuttle that took passengers from the city's airport to Moab, Utah, where the national park is located. Reports said Gonzales was dropped off in Moab around 6 p.m., but he had underestimated the distance to the park. Baldukas said he told federal agents he was still walking at midnight when a pickup truck driver gave him a ride to the park entrance.

Gonzales reportedly found a cabin that was open and slept there because the park was closed. When morning came, he walked a short distance to the desert, waited for the park's visitor's center to open and then walked into the center and told agents he was the victim of a kidnapping.

Racine police called in the FBI, and they sent an agent to Utah to pick Gonzales up.

Baldukas said the FBI has not charged Gonzales, who is now back home in Racine. However, local authorities may issue charges or attempt to obtain restitution from him for the time and money police put into the investigation.

From Page 1A

her office about the loss of the Humana and PrimeCare coverage show the effect that Medicare changes can have on the lives of senior citizens and show the need for caution, she said.

"You cannot imagine the frustration we have heard in our office," added state Rep. John Lehman, D-Racine.

What also concerned people speaking at the press conference was a proposal from the bipartisan commission to have the federal government compete with private companies for Medicare dollars. A Medicare board would oversee the system and would approve benefit plans and enrollment periods.

"This report (from Families USA) is clear evidence that we can not count on the managed care industry to take care of our senior citizens and persons with disabilities," Plache said.

HMOs ignore some communities, yet the health of people depends on their access to care, said Carston Koeller of Wind Lake, president of the Wisconsin Council of Senior Citizens.

"We really need to stress the concept of universality, which seems to have gotten lost in all of the debate about reform," he said. "We seem to want to tolerate having 30 to 40 million people uninsured in this country. I say that is unacceptable."

U.S. Rep. Paul Ryan, R-Janesville, said he favored the idea of the bipartisan commission but was disappointed that Clinton disbanded it before it suggested legislation. Ryan said he's read the commission's report but

wants to read the details of any legislation before deciding whether to support it. A lack of detail caused the PrimeCare problem, he said.

The 1997 federal budget allowed the Health Care Financing Administration (which runs Medicare) to set the details of the Medicare reimbursement formula. That led to reimbursement inequities for various parts of the country, and that led to the departure of Humana and PrimeCare from the area, Ryan said.

"As I see it you should get the same kind of Medicare treatment regardless of where you live in this country because you paid the same kind of Medicare taxes," he said.

He said all his efforts now are focused on passing a bill that would adjust the reimbursement formula. "We have to fix the current Medicare law before we move on to new ones."

Bruce Stansil, a member of a group of senior citizens upset about the loss of PrimeCare and Humana coverage, had harsh words at the press conference about government's lack of action on Medicare insurance. The state has failed to protect senior citizens, he said. "The federal representatives are just as bad with their constant bickering in Washington, and we demand that they set this wrong right — now — or this item will become a major item in the forthcoming election."

## HEART

om Page 1A

It's a cut we really clean it out. We keep an eye on him, but right now it's just a normal 8-year-old."

The infection that led to Krupka's heart surgery, called endocarditis, is rare, she said. Only about 2 in 10,000 people contract it.

Krupka said she likes to look at the positive side of bad things, and said some good has come out of her suffering. She enjoys the exercise she

## Few in rural residents have access to Medicare HMO

A study released Thursday by Families USA says few people in rural areas have access to a health maintenance organization that will insure them under the Medicare+Choice program.

The study says HMOs are less likely to cover rural areas because the

■ About 16 percent of the 39 million people on Medicare belong to an HMO under Medicare+Choice.

■ Nationally, 73 percent of rural Medicare recipients (or 0.7 million people) live in a county where there is

CS

KENOSHA NEWS

FRIDAY, SEPTEMBER 10, 1999

Local/State

# Report: HMOs scarce for the elderly

MADISON (AP) — About 90 percent of elderly people in rural Wisconsin covered by Medicare can't join HMOs because there are no health plans in their area participating in the federal program, a report released Thursday said.

Only four of the state's 52 rural counties have HMOs that take part in Medicare, according to the report of Medicare and Census Bureau figures released by Families USA, a Washington, D.C.-based group that advocates universal health coverage.

"The managed care industry has virtually ignored Medicare beneficiaries in rural areas," Families USA executive director Ron Pollack said.

HMOs are paid a flat fee by the government to provide all necessary care for Medicare-covered enrollees. Medicare is the federal health insurance program for the elderly and disabled.

Medicare beneficiaries who do not have access to an HMO still get care. The government simply pays each of their medical bills directly to the health care provider. However, HMOs are attractive to senior citizens

because many offer extra benefits, such as prescription drugs, which are not usually covered by Medicare.

"When you don't have HMOs in a rural community, that means beneficiaries only have one choice and that is to take part in the traditional Medicare program," Pollack said.

Nationally, about 73 percent of Medicare's 9.2 million rural beneficiaries do not have access in their home county to HMOs, the report said. Another 17 percent of senior citizens in rural counties have only one HMO open to them. Only 10 percent have more than one health plan to choose from.

In Wisconsin, there are 291,951 Medicare beneficiaries in rural counties.

Only Walworth County has two HMOs that participate in Medicare, the report said. Monroe, Trempealeau and Vernon counties have one such HMO, while the other 48 rural counties have none.

Sparse populations and the scarcity of health care providers in rural counties make it difficult for HMOs to be profitable in those areas, said Nancy Wenzel, executive director of the Association of Wisconsin HMOs.

Under the federal reimbursement system, it's more profitable for health care providers to receive money directly from the government rather than as part of a managed health plan, Wenzel said.

"There's no incentive in rural parts of Wisconsin for providers to work with health plans because they can simply make more money under the old Medicare system," she said.

The report's authors said the lack of participation by HMOs in rural areas raises questions about the viability of Medicare reform proposals, supported by many in Congress, that would give private health plans a bigger role in caring for the nation's elderly.

Families USA used data from the Health Care Financing Administration and the Census Bureau to determine how many HMOs are available to Medicare beneficiaries.

The study found 13 states where no rural counties currently have a Medicare HMO: Alaska, Idaho, Iowa, Kansas, Kentucky, Mississippi, Nebraska, North Dakota, South Carolina, South Dakota, Utah, Vermont and Wyoming.



# The Business Journal

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SERVING GREATER MILWAUKEE

September 24, 1999

## COMMENT

### HMOs can't be trusted in Medicare reforms

**T**he Medicare program, which has improved the lives of millions of elderly and disabled Americans, faces perilous times.

Leaders in both parties, led by U.S. Sen. John Breaux (D-La.), propose to radically change Medicare from a publicly administered program to a voucher system.

In a voucher system, the government would partially subsidize the elderly and disabled to purchase health insurance plans in the competitive market. Seniors would take their Medicare voucher and purchase a better plan, if one was available, or perhaps, add some money of their own and purchase a premium plan.

What the legislators neglect to mention is that the proposal could weaken traditional Medicare and, for many elderly, traditional Medicare will remain the only option.

Medicare HMOs have chosen to stay out of, or have left most rural areas. Forty-eight of Wisconsin's 72 counties have no Medicare HMO options.

The danger with Medicare HMOs has been woefully demonstrated recently in southeastern Wisconsin. In Racine, Kenosha and Walworth counties, Medicare HMOs have been getting Medicare funds under a similar but less expensive program called Medicare + Choice. They have recently decided that providing Medicare service to elderly residents is not profitable enough in that area.

They're pulling out and stranding more than 2,000 seniors without coverage. They are staying in Milwaukee, though. In Milwaukee, the population density, provider density and other factors mean HMOs can operate more cheaply, actually receiving more money from Medicare than the cost of doing business.

What HMOs shopping for Medicare profits means for taxpayers is about \$2 billion a year in extra Medicare costs, according to the Medicare Payment Advisory Commission. What it means for seniors is service disruptions, quality of care issues and less money available to pay for actual health care, especially for those who are left in the traditional Medicare program.

#### HMO DISASTER

The HMO experiment with Medicare has been a disaster. That we would want to take money out of a program that meticulously controls health care costs and put it into private HMOs with much larger administrative expenses, advertising budgets, high CEO salaries and shareholders to provide for is a questionable enough use of public money.

But the way the HMOs have abused the opportunity by systematically cherry-picking the areas where health care costs are lowest, pulling money out of the program and leaving traditional Medicare with the hardest-to-serve citizens, threatens the traditional Medicare program on which most



#### ON MEDICARE

SAM GIERYN

elderly citizens rely.

The Medicare voucher scheme would allow HMOs to worsen the situation by varying benefits packages to attract only the healthiest and wealthiest seniors — those who cost the least to serve — further padding their pockets and leaving traditional Medicare with the most costly beneficiaries, those in rural areas and those who are sick.

As HMOs pull the healthiest and wealthiest seniors out of Medicare, millions of rural, poor or chronically ill seniors will be left with rising premiums for traditional Medicare.

Besides pitting the sick against the healthy, the Medicare voucher scheme would destroy the basic idea of Medicare. That is to create a large risk-sharing pool among all of the elderly, both healthy and sick, rural and urban, spread the costs around, and use the pool's size to control costs.

Unfortunately, the idea of weakening traditional Medicare, with all of its cost controls and its grip on the senior market,

is appealing to the for-profit health care industry, and if they can profit from taxpayer-funded vouchers in the process, so much the better.

The managed care industry uses the mantra of competition to entice the public into believing they will get more for their money at HMOs. They'll get less. Quality of care at HMOs is a real issue. There have been more than 9,000 complaints about HMOs to Wisconsin's insurance commission in the past two years.

#### NO COMPETITION

Also, in many areas, the competition doesn't exist. Most of the Medicare beneficiaries in Wisconsin still rely on the traditional Medicare program to provide basic health care, and that number is increasing, not decreasing.

Congress should go slow on Medicare reform and resist efforts to privatize Medicare to the benefit of the managed care industry and the detriment of millions of our elderly who will continue to depend upon traditional Medicare.

Any changes should strengthen the traditional Medicare program and benefit all seniors. Let's take Medicare HMO profits and turn them into real health care benefits for all Medicare beneficiaries.

*Sam Gieryn is the Health Care Task Force coordinator for Wisconsin Citizen Action, Milwaukee and Madison.*





KAREN SHERLOCK/STAFF PHOTOGRAPHER

U.S. Rep. Tom Barrett said Wednesday he was "guardedly optimistic" that the Patients' Bill of Rights would pass in the next year. He was at a rally for Wisconsin Citizen Action's Campaign for Health Security.

## Drive strives to ease access to health care

State campaign aims for federal influence

By MARGO HUSTON  
of the Journal Sentinel staff

Labor leader Candice Owley launched a campaign Wednesday to increase access to health care for Wisconsin residents.

"Money does talk, but people power does count, too," Owley said at a news conference outside the closed Pabst Brewing Co. building, 917 W. Juneau Ave. Owley, president of the Wisconsin Federation of Nurses and Health Professionals, heads the new Campaign for Health Security.

She was responding to comments made by Robert Lynch, 77, who questioned whether the campaign could influence Congress to pass health care reforms. Lynch described himself as "retired from Pabst, where we got the shaft."

Three years ago, Pabst canceled health care coverage for about 750 retirees in Milwaukee as it shut down its local brewery.

Another former Pabst worker, Roland Gatzow, 63, said that until his Social Security kicked in when he turned 62, he had been receiving \$668 a month as a pension, from which he paid \$357 a month for health insurance premiums.

Owley said the campaign is the first of its kind in the nation. From its Wisconsin base, it plans to fan out and help organizations in other states launch similar campaigns. The campaign was organized by Wisconsin Citizen Action, a coalition of

environmental, labor, faith-based and consumer groups.

U.S. Rep. Tom Barrett (D-Wis.) lent his support to the campaign, saying that improving access to health care was an important issue, second only to reducing the federal deficit, in his first campaign for Congress in 1992.

Barrett said he is "guardedly optimistic" that the Patients' Bill of Rights would pass before next year's elections. He is less optimistic that a bill guaranteeing prescription coverage under Medicare will pass.

Both measures are more likely to be approved next year, closer to election time, he said.

Barrett said prescription drug coverage is the top issue mentioned to him in his visits around his district.

Owley said the campaign plans to seek pledges of support from all Wisconsin federal officeholders and from federal candidates in 2000:

- To oppose any legislation that would turn Medicare into a voucher system and to preserve and strengthen the program.

- To expand Medicare to provide affordable prescription drug coverage for all beneficiaries.

- To support a comprehensive patients' bill of rights that restores the integrity of the patient-doctor relationship and guarantees the right of patients to hold insurance companies liable when they deny care considered medically necessary under current medical standards.

- To support efforts to expand Medicare and to move toward health care for all.

# INSIGHT & OPINION

*Analysis, commentary and ideas*

EDITORS: JACK EHN 823-3616, jehn@abqtrib.com; KATE

The Bipartisan Managed Care Improvement Act  
speaks out for patients' rights and deserves full congressional support

## HMOs, LET US GO!



Sally Moore (from left), Maria Scarpelli and Dr. Sherri Alderman deliver a letter to an aide for Congresswoman Heather Wilson asking her to support the Bipartisan Managed Care Improvement Act. Moore is an organizer with the

Progressive Alliance for Community Empowerment; Scarpelli is local president for the National Union of Hospital and Health Care employees; and Alderman is a pediatrician in Albuquerque.

Steve Spragg/Tribune

A doctor, nurse and patient handcuffed themselves together and, surrounded by a group of health-care activists, held a rally Sept. 1 in front of Congresswoman Heather Wilson's Downtown Albuquerque office.

They called on her and on Congress to "set us free from HMO bureaucrats."

Demanding to be unlocked from the tight grip of profit-seeking HMOs, the group sought to bring attention to a new attempt in Congress to establish protections for consumers in managed care.

Within the role-playing demonstration, the doctor believes that, when treating a child, she should be able to prescribe the appropriate medications, not just what the HMO says she can. The nurse believes that she should be allowed to advocate on behalf of her patients and not fear retaliation from the HMO. The patient believes that, if she is having a heart attack, she should be admitted to the emergency room without having to call her HMO first.

Last year, competing proposals for a federal Patients' Bill of Rights led to bitter partisan debate. Wilson voted with her fellow Republicans to defeat a strongly pro-consumer bill, sponsored by the Democratic leadership, and voted for a weaker, Republican alternative.

In the stalemate that followed, no law was enacted at all.

In the past year, things have changed. A bipartisan HMO reform bill has been drafted after several Republicans, some of whom are physicians, decided to extend a hand across the aisle.

The Bipartisan Managed Care Improvement Act is sponsored by a Republican dentist from Georgia, and is already co-sponsored by 65 members of Congress — 45 Democrats and 20 Republicans.

The handcuffed demonstrators — and other health-care consumer advocates in Albuquerque — hope that this year a bipartisan effort to achieve genuine and enforceable consumer protections will succeed.

In recent years, managed care has exploded. In 1987, 13 percent of privately insured Americans were in an HMO. Today, that figure stands at 75 percent.

During the 1990s, the health-insurance industry pushed the idea that managing health care could drive down costs. In its drive to keep down costs and increase profits, the HMOs have gone from trimming costs to denying care.

This "streamlining" means that instead of a doctor deciding how long your hospital stay is, an HMO

#### TODAY'S BYLINES

Jackson is co-chairman of Health Action New Mexico, a statewide alliance of people and organizations advocating for health-care consumers.

Trujillo is president of Progressive Alliance for Community Empowerment, an alliance of community and labor organizations.

#### TAP IN

- Call Health Action New Mexico at 323-8394
- Call PACE at 255-4266
- To comment on this topic, write to us at The Albuquerque Tribune, P.O. Drawer T, Albuquerque, N.M. 87103. Our fax number is 823-3689. Our e-mail address is letters@abqtrib.com

bureaucrat informs you of the care you will receive. Patients have to jump through hoops in order to get the care they need, and doctors must plead with HMOs to authorize medical care they know is needed.

For too long, this issue has been tied up in politics. Now there's a chance for real bipartisan change. This is about restoring the doctor-patient relationship. It's about patients getting the care they need, and doctors and nurses making the medical decisions.

In order to enact real reforms, there are a few mechanisms we need in place:

#### Provisions that assure access to needed care.

Examples of these protections include being able to seek emergency-room care with prior authorization; access to needed drugs even if they are not on an HMO's approved list; standing referrals to specialists for chronic health-care needs; access to doctors outside the HMO network if needed and recommended by your regular doctor; and continuity of care if you change HMOs or your doctor is dropped from an HMO network.

#### Equal protections to all consumers of managed care.

With no federal protections in place, our state Legislature and the Division of Insurance have established many of these kinds of protections for New Mexicans in state-regulated managed-care plans. However, federal law prohibits the state from protecting those whose insurance comes from employers that "self-insure" (a group that includes most of New Mexico's large employers).

Only Congress can assure that all managed-care consumers, in every state, have the benefit of these protections.

#### An Independent appeals process when HMOs deny or delay care.

When your HMO refuses to cover an organ transplant, you ought to be able to appeal the decision to an independent group of doctors, in a timely fashion. Weaker proposals in Congress give only lip service to an appeals process, stacking the appeals board with HMO bureaucrats and non-health professionals and allowing weeks and months for a decision. The Bipartisan Managed Care Improvement Act installs a strong appeals process run by panels of independent doctors — thus giving doctors, not HMOs, the final say in whether a treatment is medically necessary.

#### The right of patients to hold HMOs accountable when decisions harm their health.

This is perhaps the largest sticking point in the HMO reform debate.

HMOs currently enjoy a special exemption by federal law that makes them immune from patient lawsuits. Every other service industry can be held responsible for harming people. In fact, if a doctor refuses to treat you, you can charge that doctor with malpractice. But if your HMO refuses to authorize treatment and you suffer as a result, you have no legal recourse.

Those who aim to block genuine HMO reform argue against a right to sue, calling it merely a boon to ambulance-chasing trial lawyers. But the bipartisan bill is not a boon and keeps the door shut on frivolous lawsuits. The right to sue wouldn't kick in unless a health plan refused to abide by the decision of an independent appeals panel. The bill simply eliminates an outdated special exemption that gives HMOs immunity from the type of responsibility that every other provider of services must face.

The debate over how to reform the broken HMO system of health care has been raging in Congress for two years, and all the debate and discussion has finally turned into a truly bipartisan and comprehensive bill. Those who have agreed that there is a problem have finally agreed on an answer.

The only hold-outs are those who refuse to acknowledge the problem. With a bipartisan bill on the table, there's no good excuse for not supporting comprehensive HMO reform.



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# The void is costly as HMOs die off

Yearly N.J. family rate  
up \$3,000 in 2 years

By Dunstan McNichol  
STAR-LEDGER STAFF

For Joe Donatiello, a self-employed Old Bridge cabinetmaker, the price of admission to the harsh new world of managed health care in New Jersey is easy to measure: A dollar a day.

—That's how much more Donatiello will pay to replace the health coverage he had through HIP of New Jersey, which collapsed last month. His new plan, with higher co-payments, will cost him \$30 more per month.

"I guess there's not much you can do," said Donatiello. "When you're dealing with a big company like that, you just get left behind."

**"As big  
companies  
swallow up  
smaller ones,  
they are  
raising rates  
to become  
profitable."**

— MELISSA  
GANNON,  
Insurance industry  
analyst

Competition among health maintenance organizations, which for years helped keep the price of health care down, has now begun to squeeze out weaker players — like HIP, and like Prudential.

its health care business to industry giant Aetna. And as companies drop out, the survivors are raising their prices.

During the past two years, New Jersey has lost, on average, one HMO every three months. Meanwhile, the average annual price of an HMO policy available to individuals to cover their families has jumped by almost \$3,000, state records show.

In fact, the average cost rose by \$470 just between January and February, to \$10,833, as HIP collapsed and three of the nine remaining companies offering policies to individuals raised their rates.

"For the HIP folks looking for a plan, you're looking at fewer choices for higher prices," said Anthony Wright, program director with the consumer group Citizen Action. "The savings that were hoped to be gained by HMOs, there's a question whether

PLEASE SEE HMO. PAGE 12

## HMO

CONTINUED FROM PAGE ONE

## Fewer competitors mean higher rates

they are sustainable."

HIP's rates had been the lowest in the state before it foundered: As of January 1998 it was charging \$7,260 a year for an individual family plan, compared with the state average then of \$9,060.

The same trends are happening nationwide, said Melissa Gannon, vice president of Weiss Ratings, a Florida organization that analyzes the financial condition of insurance companies across the country.

"Because the environment was so competitive (HMOs) were keeping their rates down," but they were losing money, said Gannon. Now as big companies swallow up smaller ones, they are raising rates to become profitable. "In certain areas where the number of players is getting smaller,



the (price) situation is just worse."

With HIP's collapse, the top three surviving HMOs enroll 64 percent of the state's 1.8 million commercial HMO subscribers — those who purchase their coverage individually or through their employers, rather than Medicare or Medicaid. The three giants will control 70 percent of the market if Aetna, the largest, is allowed to complete its proposed purchase of Prudential's HMO business later this year. Ten other companies would be competing for the remaining 30 percent of the business.

Two years ago the top three HMOs enrolled 54 percent of the state's HMO subscribers, and 18 companies competed for the other 46 percent.

"There are many concerns" as competition shrinks the available choices, said Assemblywoman Charlotte Vandervalk (R-Bergen), chairwoman of the Assembly Health Committee. "I think we have to do constant monitoring."

State insurance officials, whose handling of HIP's financial crisis drew sharp criticism last year, say they see nothing troubling yet about the effects of consolidation in managed care. "It's a very competitive market. It's a market we certainly watch," said Winnie Comfort, spokeswoman for the Department of Banking and Insurance. "There seems to be enough coverage for people who want to join HMOs."

Given the low prices HIP was charging, it is no surprise that its customers are seeing increases as they move to other insurers, state officials said.

"The prices look pretty good over time," said Wardell Sanders, executive director of a state board that oversees the health insurance programs for individuals and small groups. He said the consolidation has not reached the point of hampering competition and choice for patients. "Merger is not a problem in and of itself."

Statistics compiled by the state show the companies that have survived the scramble have generally spent a smaller portion of their premium revenues on health care than have their failed competitors. Among the six companies that spent more than 80 cents of every premium dollar on medical care in 1995, only two are still in business. And one is Prudential, on its way to being acquired.

## Thinning the herd

The number of HMOs in New Jersey is dwindling, and membership is getting concentrated in the largest firms.

|                                       | 1996 | 1997 | 1998 | 1999 |
|---------------------------------------|------|------|------|------|
| Number of HMOs                        | 26   | 23   | 18   | 16   |
| Market share percentages of 3 largest | 53.3 | 56.6 | 57.6 | 63*  |

\*Note: This will rise to 67.6% if Aetna/US Healthcare wins approval of pending acquisition of Prudential HMO.

Source: N.J. Department of Banking and Insurance  
THE STAR-LEDGER

Records of 17 HMOs included in a 1995 state study show that medical spending among the 10 firms that remain in business averaged 74.3 cents per premium dollar, while the firms that went out of business spent an average of 81 cents of every dollar they took in on medical care.

"I think it shows how the values of the entire system are inverted from a patient-centered approach," said Wright. "Wall Street values those companies that spend as little as possible on actual care for patients."

Bigger companies can keep health costs in check by negotiating cheaper contracts with doctors and hospitals, said Fred Hillman, spokesman for Horizon Blue Cross/Blue Shield of New Jersey. Horizon's HMO Blue is the third-largest HMO in the state.

To keep prices from rising more quickly, though, Hillman said savings may eventually have to be realized by limiting medical treatments.

"That might be the trade-off we have to make," he said. "We may have to limit care."

Robert Conroy, attorney for the Medical Society of New Jersey, says that is already happening as a handful of companies come to dominate the field.

"They're a lot more difficult to deal with; they're a lot less willing to accept doctors," said Conroy. "They really know they have serious market power, and they're going to exert it."

That tension has prompted doctors in New Jersey and elsewhere to look for ways to join forces to counter the influence of the largest HMO's. Doctors in southern New Jersey that work for AmeriHealth HMO are trying to form a union; the National Labor Relations Board is expected to rule this month on their petition. Last

week, the Service Employees International Union announced a \$1-million drive to enlist doctors in the newly formed National Doctors Alliance.

The issue of consolidation has also prompted close scrutiny of the proposed merger between Aetna and Prudential. New Jersey Attorney General Peter Verniero is joining a nationwide effort by state attorneys general to examine the implications of the proposed merger, and the federal government is conducting an anti-trust review of the plan.

New Jersey over the past five years has passed a series of laws regulating HMOs, but it does not directly control prices or try to manage the competitive forces in the industry.

Last year the state enacted the Health Care Quality Act, which requires physicians to make decisions on health care and gives patients opportunities to appeal an insurer's decision to deny treatment.

In the wake of HIP's collapse New Jersey Insurance Commissioner Jaynee LaVecchia proposed new rules to beef up the state's ability to make sure HMOs are financially solvent. Lawmakers also are considering a bill that would require HMOs to finance a fund that would pay the unpaid claims of any that fail.

Since 1992 the state has required insurance companies that sell HMO coverage to individuals or companies with fewer than 50 employees — a small portion of the overall market — to spend at least 75 percent of the premiums they collect on medical treatment. Companies that fail to meet that standard any year must refund the difference to policyholders.

But when it comes to large corporate accounts — groups with more than 50 members — the HMOs are free to negotiate whatever rates they can. Those large groups have more power to bargain with insurers for low rates, and the HMOs compete to offer the best price.

Still, rates have been rising overall. According to the latest state figures available, including individual, small and large-group policies, HMOs took in an average of \$1,765 in premiums for each man, woman and child they covered in 1997 — a 12 percent increase from the year before.

So even large-group customers of HIP — like the state of New Jersey — are seeing the kind of price hikes Donatiello and other small purchasers are encountering as they seek new health coverage.

*Health*  
**ASBURY PARK PRESS**

NEPTUNE, NJ  
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**NEW JERSEY CLIPPING SERVICE**

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# Patients' bill of rights gains Holt's backing

By **HARRIET RYAN**  
FREEHOLD BUREAU

316

**FREEHOLD TOWNSHIP** — Freshman Rep. Rush D. Holt, D-N.J., threw his support behind a proposed federal patients' bill of rights yesterday, saying the legislation would protect families from insurance companies that seem "more related to Neilman Marcus than Marcus Welby."

Local health care advocates said Holt's endorsement and similar praise from other freshmen Democrats in the House, strengthened the chances the bill, which was narrowly defeated by the last Congress, would pass this year.

Speaking to a friendly crowd of doctors, nurses and others at CentraState Medical Center, Holt — whose wife is a physician — said the bill would "guarantee that medical decisions are not business decisions." It would also preserve the crucial trust between doctors and patients, he said.

"The bond between my wife and her patients is very important, and in fact, I believe it is sacred. Now, I would say, it is threatened," he said.

The patients' bill of rights would place more comprehensive regulations on the way HMOs and other managed care companies do business with patients, doctors, and hospitals. The bill includes proposals to do away with the so-called "HMO gag rules," which prevent doctors from discussing certain treatments with their patients.

Additionally the bill would give

the seriously and chronically ill direct access to specialists and women direct access to gynecologists. It would allow patients unhappy with treatment by their HMO to file a grievance with an independent panel and permit lawsuits against HMOs for serious injury or death resulting from poor care.

An identical bill received some bipartisan support last year, but was ultimately defeated by six votes. Opponents criticized the bill, saying it would clog already crowded courts with civil cases.

Holt's support for the bill, coupled with support from other Democrats who gained seats in November, increased the likelihood that the bill would pass this year, several proponents of the measure said yesterday.

"With the other shifts in Congress, Rep. Holt's sponsorship indeed may make the difference," said Anthony Wright, program director of New Jersey Citizen Action, a consumer watchdog group which had attacked Holt's predecessor, Republican Michael Pappas, for opposing the bill.

Rep. Frank J. Pallone Jr., D-N.J., who co-wrote the legislation, joined Holt at the hospital and said he thought the bill had enough votes to pass.

However, Pallone told the audience, the managed care lobby is likely to stage a well-funded and intense effort to defeat the bill.

He urged those in grass-roots organizations to continue speaking out about the bill.

Asbury Park Press  
4/8/99

# New Jersey plans hearing on Aetna purchase of HMO

By JONATHAN SCHUPPE  
GANNETT STATE BUREAU

316  
TRENTON — With physicians and consumer groups crying monopoly, state officials are examining Aetna Inc.'s proposal to buy Prudential Insurance Co.'s health care programs and become an HMO giant in New Jersey.

If the purchase is approved by regulators around the country and survives an antitrust review by the U.S. Justice Department, Aetna will be the nation's largest health insurer, with 22.4 million policyholders.

New Jersey regulators have scheduled a public hearing on the proposed merger for tomorrow in Trenton. The hearing isn't required by law, but officials have been criticized for their approval, without public input, of an unrelated failed deal involving HIP Health Plan of New Jersey.

According to an analysis by the American Medical Association, Aetna would control 38 percent of the HMO market in New Jersey, including 59 percent coverage in Hunterdon County and 55 percent in Camden County.

"If Aetna becomes the big gorilla in town, and millions of individuals are pitted against it, you can see how people feel that would be unfair," said Uwe Reinhardt, a Princeton University health care economist.

Doctors have complained that Aetna's business practices bully them. They warn that if Aetna is allowed to scoop up the Prudential business, they'd risk financial doom by refusing the powerful Aetna's contracts.

In recent years, the number of HMOs in New Jersey has decreased from 27 to 16, according to Banking and Insurance Commissioner Jaynee LaVecchia.

Doctors also warn of unforgiving requirements that would trim reimbursements, limit patient visits and make it more difficult to find specialized care.

"There is no assurance that they will be reasonable or careful

**If Aetna becomes the big gorilla in town, and millions of individuals are pitted against it, you can see how people feel that would be unfair.**

Uwe Reinhardt  
PRINCETON UNIVERSITY  
HEALTH CARE ECONOMIST

or kind with the people they deal with," said Vince Maresca, executive director of the Medical Society of New Jersey.

Of the more than 2.4 million HMO customers in New Jersey, Aetna currently holds 844,000. Prudential's New Jersey HMO, Prudential Health Care Plan, has 106,000 members.

Patient advocates add that competition would decrease, relieving market pressures to press premiums down.

"It doesn't serve the health care consumer if a health plan has so much more power than the providers," said Anthony Wright, a program director for New Jersey Citizen Action.

Aetna, which bought NYLCare last year and U.S. Healthcare in 1996, announced the \$1 billion purchase of Prudential Health Care Plan Inc. in December. Prudential Health Care's HMO, point-of-service, preferred-provider-organization, indemnity and dental plans will be merged into Aetna's health division, Aetna U.S. Healthcare.

With the Prudential purchase, Aetna will become a dominant health insurer not only in New Jersey, but also in Texas, Georgia and Philadelphia. The deal has already been approved by Connecticut officials.

Nationwide, the merger trend doesn't involve only Aetna: since 1994, six large health insurers have eaten up 12 smaller ones.

Aetna has argued that there will still be room for smaller insurers to remain competitive in its markets. Aetna also will have

the opportunity to take advantage of economies of scale to lower prices.

"We believe it is a very vigorous market, and there will still be a lot of competition," said Aetna spokeswoman Betsy Sell.

Reinhardt said sheer numbers do not make a monopoly. The true test will be how easy it is for other insurers to enter the market and take business away, he said.

In the wake of the Prudential purchase, the doctors have taken a rare action: asking the government for help.

Days after the Prudential deal was announced, AMA Executive Vice President E. Ratchliffe Anderson Jr. fired off a letter to the Department of Justice calling for an antitrust review.

"By increasing its market power, Aetna will ... drive medical decisions based on financial and stockholder expectations," Anderson wrote.

Dr. Randolph Smoak, a South Carolina surgeon and an AMA official, said in a recent interview that the association had provided information to Justice Department officials. He would not elaborate.

"This is the first time the AMA has ever done this, question a merger or acquisition," Smoak said.

Because New Jersey law requires regulators to approve all acquisitions of HMOs, the Department of Banking and Insurance and the Department of Health and Senior Services are examining the deal. The departments say they plan to check whether the change of ownership will affect Aetna's ability to meet licensing requirements, whether Aetna's financial stability will be impacted and whether a monopoly is being created.

Roger Shatzkin, a spokesman for Attorney General Peter G. Verniero, said his office is also looking for "any potential anti-competitive effects under the state's civil and criminal anti-trust laws."

*Healthcare*

SUNDAY RECORD

HACKENSACK, NJ

SUNDAY 248,000

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# Report outlines errors, deception at US Healthcare

By RANDY DIAMOND 316

Trenton Bureau

The first-ever state examination of a health maintenance organization's market practices found serious deficiencies in the way US Healthcare handled consumer complaints, paid doctors, and advertised its medical benefits.

The report, which state officials

approved for release two months ago, does not cover current claims and practices of Aetna/US Healthcare — the state's largest HMO, which was formed after a merger in 1997. The review looked at US Healthcare's business practices from October 1995 to February 1997.

But the review paints a disturb-

ing picture of how US Healthcare conducted its operations. In addition to mishandling consumer complaints and using deceptive advertising, state regulators say, US Healthcare engaged in a pattern of unfair trade practices by making late payments, to its doctors and underpaying medical specialists who were not part of its

network. The state review, known as a market-conduct survey, found:

- A 92.5 percent error ratio in the company's handling of consumer complaints. The state reviewed 40 complaint files and found errors in 37 cases.

- Deceptive advertising in 18 of the 159 ads reviewed, or 11 per-

cent. The ads touted the company's coverage for "emergency medical care," without disclosing the limits on such care, leading to confusion among enrollees.

- Problems in paying claims in 42.7 percent of the 164 cases that were reviewed. The problems were

See US HEALTHCARE Page A-16



# US HEALTHCARE: Report

From Page A-1

mostly late payments or underpayments to doctors.

Betsy Sell, a spokeswoman for Aetna/US Healthcare, said the majority of issues raised in the report have been resolved.

"This is old news," she said, adding that the company was a national leader in providing quality medical care.

Although the report only covers US Healthcare claims, it did extend to the first few months of Aetna/US Healthcare. The company's officials blamed some of the compliance problems on the merger with Aetna, the report said.

In a statement that accompanied the report, Christine Grant, the acting commissioner of the Department of Health and Senior Services, said the HMO has since corrected the problem of late payments to doctors along with most other violations cited in the report. The state issued regulations last October requiring HMOs to make payments to doctors within 60 days.

Grant also said US Healthcare had hired 100 new examiners during or after the state review to improve claims handling procedures.

But Dr. Randolph Smoake, a South Carolina surgeon who serves as chairman of the American Medical Association's board of trustees, said Aetna/US Healthcare continues to have a poor reputation nationally among doctors and patients.

"They put patients through hassles to get the proper medical care," he said, adding that the company makes it difficult to get authorization for specialized medical treatments.

The release of the state report comes as Aetna/US Healthcare, already New Jersey and the nation's largest HMO, seeks to grow ever bigger by acquiring PruCare — an HMO run by The Prudential Insurance Company of America. Doctors and medical groups oppose the merger, saying it would create a behemoth capable of dictating the industry's standards for medical care and doctor reimbursement rates.

Both the state Departments of Banking and Insurance and Health and Senior Services, which participated in the report on US Healthcare, must approve the proposed merger before the company can operate in New Jersey. The state Attorney General's Office also is reviewing the deal.

In addition, the AMA has asked the U.S. Justice Department to block the merger, saying it would violate federal antitrust laws.

Anthony Wright, a spokesman for New Jersey Citizen Action, a consumer organization that opposes Aetna/US Healthcare acquisition of PruCare, said the findings in the market-conduct report heighten the group's concerns.

"There's a certain arrogance reflected in the violations that could increase with the proposed takeover of PruCare," he said. "Some of the violations suggest the company has so much market share that it doesn't care about its practices."

At the time of the report, US Healthcare was the state's largest HMO, with 32 percent of the market in New Jersey, the review shows.

A report by the AMA says Aetna/US Healthcare would control about 38 percent of New Jersey's HMO market if it merges with PruCare. In Bergen County, the company would control 59 percent of the HMO market, the study concluded.

As part of their examination of US Healthcare, state regulators reviewed at random 40 of the 1,491 consumer complaints filed with the company. The examiners found the company failed in 32 cases to log the complaint until an average of 21 days after its receipt. In 18 of the 32 cases, the company took longer than 30 days, which is the state limit for responding to a complaint.

In one case, state examiners found a complaint filed by a man who believed the medical treatment his wife received contributed to her death. The company, the report notes, mistakenly sent a letter to the deceased woman acknowledging the receipt of her husband's complaint.

Although New Jersey law requires an HMO to provide its policyholders annually with detailed information on how to file and resolve complaints, the report notes the company gave only a general explanation in its enrollee magazine, without saying how to file a complaint.

In its review of US Healthcare's advertising, the state looked at 159 ads and found 18 of them, or 11 percent, to be deceptive. The ads, the state report said, touted the company's emergency care benefits, without explaining that the benefits were available only for life-threatening medical conditions.

The report said the ads may have misled some policyholders. In one case, the state found the company had refused to reimburse nearly \$15,000 in medical bills for

a man who was uncertain of the company's policy on emergency care.

The company, the state report said, paid the man \$908 for immediate care in the emergency room. But the enrollee, believing he was still covered for the emergency, failed to get a referral from his primary care physician to transfer to a hospital for complex surgical care, the report said.

Seven other denials cited because of confusion over benefits were for smaller amounts, from \$239 to \$99.

The state, however, did not order US Healthcare to issue refunds.

Winnie Comfort, a spokeswoman for the state Department of Banking and Insurance, said she was unable to explain why the state didn't order refunds.

The state also did not impose any fines, which at the time could have amounted to \$1,000 per day per violation. The state's Health Care Quality Act, approved in 1997, increased those fines to \$10,000 a day.

Tom Breslin, a spokesman for the state Department of Health and Human Services, said the company was not fined because it worked with state regulators to correct the problems.

But Wright, the consumer group spokesman, said the state's decision not to fine US Healthcare sends the wrong message. "The lack of penalties creates a corporate precedent. You can do what you want to do and get away with it," he said.

State regulators also did not order US Healthcare to give refunds to doctors who may have been underpaid. The state examination found that the company, as a general business practice, paid non-network specialists only a portion of their fees, unless they filed an appeal to receive full payment.

"Two consecutive appeals resulted in payment in full; any specialist who did not appeal did not receive further payment," the report said. "The company's acknowledged practice demonstrates that provider claim payments were not related to the amount of the claim, but rather to the persistence of the provider in seeking payment."

6M THE DES MOINES REGISTER ■ TUESDAY, NOVEMBER 2, 1999

# Bottle drive will spotlight drug cost issue

■ Groups in 18 states will be trying to send the U.S. House speaker a message.

By THOMAS R. O'DONNELL  
REGISTER STAFF WRITER

A public interest group will collect and ship prescription drug bottles to Congress to demonstrate the escalating costs of medicines.

The Iowa Citizen Action Network will gather the bottles at Des Moines' Carpenter Senior Center, 1914 Carpenter Ave., from 10 a.m. to noon Thursday. The group also will release studies on the rising cost of prescriptions and the forces driving costs up.

The bottles will be combined with ones gathered at similar sites in Iowa and 17 other states and sent to U.S. House Speaker Dennis Hastert, said Rick Kozin, the network's executive director.

"Part of the concern is whether the price of prescription drugs is going up across the board fairly," Kozin said. The network's research shows people who lack prescription drug insurance pay higher prices for medications than do health maintenance organizations that strike deals with drug manufacturers. The group is especially concerned about the uninsured and the

elderly, who must pay for prescriptions under Medicare or buy supplemental insurance.

Mary Rose Brown of Iowa Falls and her husband pay \$300 a month for Medicare supplemental insurance that includes prescription coverage. Without it, they would pay at least \$333 a month for drugs to treat Brown's diabetes and other ailments.

Brown, associate state coordinator for AARP, formerly known as the American Association of Retired Persons, said some people have told her their drug costs have doubled in just three months.

Deb Stehr of Lake View said only her younger son, Jonathan, has insurance coverage through Medicaid because he has severe cerebral palsy. Other family members try to treat their illnesses with over-the-counter drugs.

Stehr is collecting bottles from relatives and friends at the Sioux City cafe where she works.

Central Iowans who can't drop off bottles at the Carpenter Senior Center Thursday may leave them at the network's Des Moines office at 3620 Beaver Ave. through Nov. 11. Bottles also are being collected at the network's Iowa City office.

Reporter Thomas R. O'Donnell can be reached at (515) 284-8449 or [odonnell@news.dmreg.com](mailto:odonnell@news.dmreg.com)

TO: Wendy Weary  
From: Rick Kozin

# The Des Moines Register

DES MOINES, IOWA ■ FRIDAY, SEPTEMBER 24, 1999 ■ PRICE 40 CENTS IN STORES/50 CENTS IN COIN RACKS

Page 3 Metro Iowa  
section

Sept 24, 99

## Campaign helps benefit programs

**Des Moines, Ia.** — Twenty people representing labor, service organizations, religious groups and other organizations launched a "Campaign for Social and Health Security" Thursday during a ceremony in the city.

The Iowa Citizen Action Network is working with organizations in 17 other states on the effort to raise awareness and protect programs such as Medicare and Social Security.

The initiative will include a "rescue team" that will deliver pledges to presidential candidates making the rounds in advance of Iowa's caucuses next winter. The pledges ask the candidates to support financing for government health initiatives and Social Security.

LAURA  
BERMAN

Laura Berman is on assignment.

The Detroit News

# Metro

## WAYNE: Students block dress code. Page 3D

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Museum up for vote  
Children's museum  
in Troy not dead yet.  
Page 4D

MACOMB COUNTY  
Hunt begins  
Hunters get chance  
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TUESDAY, OCTOBER 5, 1999

# Patients bill emulates state law



## Bipartisan proposal in Congress adds what Michigan law doesn't — right to sue HMOs.

By Sarah A. Webster  
The Detroit News

**DETROIT** — The proposed Patient Bill of Rights to be debated in Congress this week has its roots in Michigan's own patient protection law, which entitles residents to treatment at the closest emergency room among other things.

But the bipartisan bill sponsored by U.S. Reps. John Dingell, D-Deerborn, and Charles Norwood, R-Ga., would provide a wal-

lop of strength that the state law lacks: the right to sue an HMO.

Patient advocates in Michigan failed to get that provision included in the state law, which was used to help shape the bipartisan bill, Dr. Krishna Sawhney, president of the Michigan State Medical Society, said at a press conference Monday at Sinai-Grace Hospital in Detroit. The press conference was called to promote the federal bill.

A string of patients, on hand

with stories about health insurance hassles, begged U.S. representatives to hang the threat of liability over these companies. About 3 million Michiganians are covered by HMOs.

The parents of Jessica Baccus Luker, 24, of Royal Oak, who died three weeks ago, are among those who believe they have something over which to sue.

Tricia Luker said she has been embroiled in a fight with Jessica's Medicaid managed-care provider, OmniCare, since May. Calvin Luker stood by his wife, holding a picture of their daughter.

Jessica, who had a metabolic

disorder, had a brain implant put in on May 11, in an effort to halt the numerous disruptive seizures.

In a letter postmarked May 12, the Lukers were notified that Medicaid had put Jessica into OmniCare, effective May 1. OmniCare then refused to pay for the surgery Jessica had the day before, because it wasn't authorized.

"We were fighting the HMO as Jessica was fighting for her life," Tricia Luker said.

On Sept. 10, Jessica died. While the Lukers don't blame the HMO for their daughter's death, they would like to sue for the cost of her surgery.

But HMOs are protected from lawsuits by the 1974 law designed to prevent employees from suing employers for inadequate benefits.

"They make major medical decisions, and they have serious consequences," Sawhney said. "They should be held accountable."

Gregory Moses, president of OmniCare, denied that the health plan refused payment of the bill and said he would be happy to meet with the Luker family to discuss any problems.

Managed care organizations are fighting the patient bill, saying that it will increase costs.

David Coates / The Detroit News

Tricia and Calvin Luker, embroiled in a fight with their managed care company, want liability placed on HMOs.



## Protest targets HMO reform

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**PATRICK ORR** f-3A  
*The Enquirer*

A handful of local community activists met by the Sojourner Truth Monument Tuesday to lobby U.S. Sen. Spencer Abraham to support a strong "Patients Bill of Rights," which is currently being discussed in Congress.

Deb Sallee, president of the A. Phillip Randolph Institute of Battle Creek, told a group of nine people Tuesday Abraham was unduly influenced by insurance and health care companies.

"There are 215,570 reasons why Abraham can find to vote against a strong patient bill of rights," she said. "This represents the number of dollars he has taken from insurance,

HMO, and other special interests who do not want a strong patient bill of rights passed."

"We are calling on the senator to support the people, not his cash constituents."

Joe Davis, spokesman for Abraham, said the senator was not influenced by special interests and his voting record proves it.

"He voted specifically against certain provisions supported by the insurance industry when he voted on the bill," said Davis. "He supported the key provision allowing doctors to make medical necessity decisions."

Abraham also supported longer hospital stays for women who have mastectomies and forming an exter-

nal review board for HMO patients who feel they did not get adequate medical care, said Davis.

Different versions of the "Patient Bill of Rights" have been passed by both the U.S. Senate and the House of Representatives, and a conference committee has been formed to debate and discuss the bill, which is supposed to guarantee adequate health care to all citizens.

While Davis said he did not agree with Sallee's opinions, he acknowledged the importance of health care issues on all political levels.

"That sounds like normal grassroots activism. We are glad people are getting



JOHN GRAY/THE ENQUIRER

Debi Sallee, president of the Battle Creek chapter of the A. Phillip Randolph Institute, speaks during Tuesday afternoon's protest rally at Monument Park.

involved in the debate. It's a tough issue," he said.

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SUNDAY, OCTOBER 17, 1989 THE GRAND RAPIDS PRESS

# COMMENT

## The Grand Rapids Press

100th YEAR - NUMBER 33

Don Gaydos PUBLISHER 321-8118  
 Michael Lloyd EDITOR 321-5808  
 Joseph Crawford EDITORIAL PAGE EDITOR 322-9481

### Wrong remedy for health care

*Public needs new protections,  
not an open door to lawsuits*

Americans clearly want greater assurances of good health services where and when they need them. It doesn't follow, however, that they also want the higher costs and larger numbers of uninsured people that would result from the "patient bill of rights" just passed by the U.S. House of Representatives.

The House approach, a triumph for the trial lawyer lobby, would open wide the door to a huge expansion of health-care litigation. Current federal law bars most lawsuits against health-management organizations (HMOs). The House bill would remove the lawsuit barrier, responding both to the trial lawyers and to polls showing consumer demand for restraints on the decision-making powers of HMOs.

Essentially, the issue is malpractice liability, a fact of life for doctors and hospitals. HMOs in 1974 were removed from liability because they are more brokers of

services than actual providers, and because liability would add to their expenses, lessening their cost-control effectiveness. Patients may sue only in federal court and then only in narrow circumstances.

*The Congressional  
Budget Office has  
estimated that  
200,000 people lose  
insurance for every  
1 percent increase in  
premium costs.*

There is no denying that the prospect of lawsuits would give health plans palpitations. They would be more careful about what they do, more cautious in refusing

coverage for treatments. Some people certainly would benefit. Unfortunately, more would be hurt by the other consequences. Costs would rise as sun-conscious HMOs signed off on tests and treatments having only marginal medical justification. Employers, through their purchasing of coverage for employees, could be paraded to lawsuits. The splits themselves — whether won or lost — would generate legal bills which the plans

At the end of this row of tumbling dominoes is a cold bit of reality: the high probability of more people losing access to insurance or finding it unaffordable, choosing to go without. The Congressional Budget Office has estimated that 200,000 people lose insurance for every 1 percent increase in premium costs.

On the heels of this month's federal report that 44.3 million Americans last year were uninsured, up by 1 million from 1987, the House action was ironic. Supporters of the bill — who did not include any of West Michigan's representatives — just have not made the case that courtroom remedies for a comparatively few people would offset expansions in costs for everyone and increases in the ranks of the uninsured.

The wiser course would be much closer to the limited bill passed by the Senate in July. That legislation — backed by Michigan's Sen. Spencer Abraham, R-Auburn Hills, but opposed by Sen. Carl Levin, D-Detroit — leaves the lawsuit ban intact but puts in place additional protections. People could, for example, use emergency rooms without getting a health plan's OK beforehand and would have easier access to specialists. Doctors could not be kept from talking patients about treatment options and patients would be assured an appeals process in which outside experts could mandate coverage. The House included similar provisions in its bill and, like the Senate, allowed for deductibility of some consumer-paid insurance premiums.

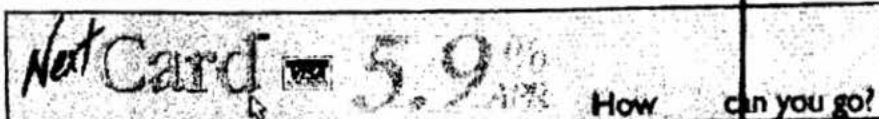
Health-plan leaders point to their own patient-satisfaction surveys and low complaint numbers as proof that the issue is driven not by medical reality but by trial-lawyer greed and Democratic Party politics. And true, satisfied patients don't get the attention that the law with horror stories do. But there also is no getting around the validity of many complaints and the public desire for change.

Congress should settle on an assured appeal process, perhaps with an opportunity to sue after the appeals are exhausted, and with the specific guarantees and tax incentives that the House and Senate already have accepted. There's simply too much wrong with the House bill's "right to sue" benefits for some would be at the expense of insurance for the many.



# THE OAKLAND PRESS

ONLINE EDITION

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## Backers of patient rights go on the offensive.

Nov 5 1999 12:00AM By Kathleen Gray News Reporter

Even though the patient bill of rights won't be crafted until next year, a group of citizens already is taking its message straight to politicians. About 50 people gathered in front of the Southfield office of U.S. Sen. Spencer Abraham to urge the Auburn Hills Republican to support the bill of rights passed by the U.S. House.

The House version differs from the Senate bill in one key area: The House bill gives patients freer rein to sue health maintenance organizations if the HMOs refuse to pay for treatment for an insured patient and the patient subsequently is severely injured or dies. A conference committee is being put together to reconcile the bills, but it isn't expected to begin work until next year.

Those gathered outside Abraham's office — members of the Service Employees International Union local 79, the Gray Panthers, the Women's Action for New Direction and Michigan Citizens' Action — accused the first-term senator of voting for the Senate version because of the contribution he's received from insurance companies in the past five years. "Dollars are corrupting our fight for the patient bill of rights," said Fern Katz, a spokeswoman for WAND. "Unlimited soft money has corrupted our system until it's unrecognizable."

Joe Davis, a spokesman for Abraham, rejected that argument. Abraham fought for amendments to the bill that were opposed by HMOs, said Davis, including: allowing doctors, rather than HMOs, to make medically necessary decisions for patients; stopping "drive-thru" mastectomies by requiring hospitals to allow patients to stay in the hospital longer after an operation if medically necessary; allowing self-employed people to deduct 100 percent of their purchased health care from their taxes; and allowing OB-GYN doctors to be categorized as primary care physicians.

"The Senator was one of three Republicans who voted to give doctors the right to make medical decisions. It's a bit disingenuous for them to say that he only supports HMOs in this bill."

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# Rhode Island

City & Town Report  
Editorial Page

## Protesters seek solutions to Harvard Pilgrim woes

■ At a State House rally, about 50 people call for more health-care accountability by state officials and more involvement in health-care policymaking by consumers.

By FELICE J. FREYER  
Journal Medical Writer

PROVIDENCE — "Who are the people responsible and what kind of game are they trying to play with our lives?"

cried Maureen Tanguay, of Coventry, at a State House rally yesterday.

A member of Harvard Pilgrim Health Care of New England, Tanguay voiced the anxieties felt by many who showed up in the rotunda to talk about the HMO's collapse and other problems in health care.

As Tanguay spoke, a roar went up from the crowd: A tall white-haired figure was seen walking across a corridor overlooking the rotunda stairwell.

The roar changed to chants of, "We

want the governor! We want the governor!" The white-haired figure stepped into the elevator, and the doors closed.

Kate Coyne-McCoy, a congressional candidate and an organizer of the event, later said she was "astounded" to see Governor Almond walk by the rally.

Tanguay was among about 50 people who came to the event sponsored by the Health Care Organizing Project, a coalition of community groups

Turn to RALLY, Page B-4



**VOICING CONCERN:**  
Monica Richards, of Providence, gives her views yesterday on health-care issues, including the troubles at Harvard Pilgrim, during a rally at the State House.

Journal photo/  
MICHAEL J.B. KELLY

Continued from Page B-1

and health-care providers that sprang from efforts to prevent for-profit hospitals from coming to Rhode Island.

Spurred by concerns over the closing of Harvard Pilgrim, which goes out of business on Dec. 31, those at the rally called for more accountability by state officials and more consumer involvement in health-care policymaking.

Meanwhile, Tom Schumpert, director of the Department of Business Regulation, said by phone yesterday that officials "have been in really serious negotiations" about the sale of Harvard Pilgrim's five health centers, and that he expects to make an announcement on the results today.

Tanguay said she had been a member of Harvard Pilgrim for 20 years, and now cannot afford its competitors' premiums. "Maybe they can afford health coverage," she said of state officials, "because we're paying their bills."

Monica Richards, of Providence, called on the state to rescue the insolvent HMO: "Harvard Pilgrim is our home," she said. "We have no other home to go to."

The activists were joined by several state legislators.

"Our whole health-care system has lots of needs," said state Rep. Nancy Benoit, D-Woonsocket, referring to rising health insurance costs, hospital indebtedness, and the closing of nursing homes. She called for a national health insurance program, but said that meanwhile Rhode Island should move to offer universal insurance by expanding the Rite Care program.

"Couldn't we call it economic development?" said state Rep. Edith Ajello, D-Providence. She described an imaginary scenario in which state economic development officials are meeting with leaders of a business they hoped to woo to the state. The out-of-state businessmen mention that they had read in Newsweek that Rhode Island was the home of the fourth-best HMO in the nation. Why, they inquire, aren't the state officials bragging about it?

"We should be bragging about Harvard Pilgrim," Ajello said. She said that she and other Harvard Pilgrim members would have been willing to pay more to keep the plan alive, but no one asked them. From an economic development standpoint, Ajello asserted, there is enough justification for the state to save Harvard Pilgrim as there was for it to bail out the failed credit unions a decade ago.

"The market has taken over our health-care system — and we want it back," said Coyne-McCoy, director of the National Association of Social Workers, Rhode Island chapter, and a candidate for Congress.

On the steps behind Coyne-McCoy, large boxes were piled in a pyramid, each bearing a label such as "Harvard Pilgrim Closing" and "Rising Insurance Rates."

Near the end of the rally, Coyne-McCoy declared, "It's time to show what the profit motive does to our health-care system." The six boxes were toppled over. Then they were replaced by the "true building blocks of a health-care system" — the boxes with new labels such as "Saving the Harvard Model," "Quality National Health Insurance" and "Consumer Participation and Control."





Journal photo/MARY MURPHY

**TAKING A STAND:** Members of Ocean State Action express concern about health-care changes, including the Harvard Pilgrim dissolution, and pay tribute to the late Sen. John H. Chafee at a rally yesterday at Memorial Square Park in Providence.

## Hot-line callers get answers

**T**he state Department of Health continued to field questions yesterday from worried Harvard Pilgrim Health Care subscribers.

Helen Drew, legislative liaison, said that about 200 people called the department's hot line yesterday, down slightly from 230 Tuesday.

"It's the people who have more vulnerable health needs — retired or those with disabilities or people who are paying for their own health insurance," Drew said. "They are sensitive to what's going on and very appropriately so."

Most people were able to get through on the first call. Health Department employees have tried to give out the latest information, even though the answers aren't always comprehensive, Drew said.

The hot line, 1-800-942-7434, will be staffed from 9 a.m. to 4 p.m. at least through Dec. 31, Drew said.

Here are some of the most frequently asked questions.

— ELLEN LIBERMAN

### What's going on with Harvard Pilgrim?

Harvard Pilgrim Health Care of New England members are insured through Dec. 31 and can get medical care — that hasn't changed.

The role of the state is to protect members, contract providers and the public. HPHC-NE (the Rhode Island health plan only) has financial problems so serious that the Department of Business Regulation took control of the organization. The health plan will go out of business Dec. 31. The centers might continue to operate and provide medical services, but that is not certain. The state will help HPHC-NE members move to other health plans.

Any current member who moves to another plan cannot be denied insurance coverage due to a preexisting condition if they have been insured by HPHC-NE over the last 12 months.

### I have First Seniority — what should I do?

Harvard Pilgrim will continue to serve its plan enrollees until Dec. 31. The nearly 6,000 Medicare beneficiaries enrolled in Harvard Pilgrim Health Care are guaranteed health-



Journal file photo/JOHN FREIDAH

**NO SHOT IN THE ARM:** Harvard Pilgrim Health Care nurses prepare meningitis vaccinations in February 1998.

care coverage under the federal program, but they will need to make a decision about how they wish to receive their health care after the end of the year.

Affected beneficiaries who choose to enroll in another health-maintenance organization may do so during November and December for service to begin on Jan. 1. Beneficiaries who wish to return to original fee-for-service Medicare can also purchase supplemental insurance policies.

Turn to **QUESTIONS**, Page B-4

## Questions

Continued from Page B-1

Medicare will send a letter to all First Seniority members within the next 10 days. The letter will describe your options for health coverage. Read the letter carefully and if you have questions call the State Health Insurance Assistance Program 1-800-322-2880 ext. 212 or the Medicare Choices Helpline 1-800-633-4227.

### I buy my health insurance directly from HPHC-NE. Should I pay the November and December premiums?

Yes, pay your premium and HPHC-NE will continue to provide for covered services through Dec. 31. A letter coming to you from HPHC-NE will explain your options. The state is working on increasing the options available to Individual Members (direct pay).

### I am a retired government employee and have HPHC-NE; what should I do?

If you are a retired federal employee, contact your former personnel office for further information.

If you are a retired Rhode Island state employee contact the state personnel office at 222-2203 ext. 222.

### I am a COBRA member, what should I do?

COBRA members should call their former employer for more information.

### How will I get my medical records from HPHC-NE?

If you ask for your records now, the HPHC-NE policy is that you pay for the copies. If your new provider asks for the records before Dec. 31, the records will be transferred to that office without charge.

HPHC-NE and the Department of Business Regulation will provide for the security and transfer of members' medical records through a firm that specializes in medical records.

### I have an appointment at one of the health centers for December; will they be open?

Yes, the centers will remain open and provide services to HPHC-NE members until Dec. 31.

# Welfare director: Insurance for all 'e eminently doable'

■ Christine Ferguson tells legislators the state can find a way to guarantee health insurance for all Rhode Islanders.

By BRIAN C. JONES  
Journal Staff Writer

PROVIDENCE — With the health insurance crisis worsening, the state's welfare director said yesterday she is confident Rhode Island can come up with a system to make sure all residents have health coverage.

Christine C. Ferguson, director of the Department of Human Services, said the goal is to fill in the blanks of the current health insurance system, not create a brand-new universal system.

But in light of the collapse of Harvard Pilgrim Health Care of New England, plus the rising number of

working poor who can't afford higher premiums, Ferguson said the effort to create a new state program takes on more urgency.

The state's experience in running the RteCare program that provides coverage to the poor, Ferguson said, gives her hope Rhode Island can devise some sort of plan.

"There's a lot of things we've learned in the past five years that make me very confident that it is possible to have a reasonably priced health insurance package that everyone can buy," she told a legislative hearing.

Turn to **INSURANCE**, Page A-11

**INSIDE:** R.I. division blamed for Harvard Pilgrim's money troubles. **A-10**

## Insurance

Continued from Page One

"I think that is eminently doable, it is eminently doable in this state," Ferguson said.

Ferguson has been looking into developing a unique Rhode Island program for guaranteeing health insurance to all, both at the urging of her boss, Governor Almond, and because the General Assembly has mandated that such a study be made.

Last night, Ferguson said Almond has also asked her to see if a special effort can be made by the end of the year to cover those persons being dropped by Harvard Pilgrim who may not be able to find new insurance.

Ferguson was more doubtful about being able to do that, she said in an interview after she had testified at a House commission studying problems in the health insurance industry.

There may not be enough time to come up with a plan specifically to help Harvard Pilgrim subscribers before Dec. 31, when the health maintenance organization goes out of business.

But Almond has told her to speed up the overall insurance study, completing it in January or February, rather than the April 1 deadline that the legislature had set, she said.

Besides the Harvard Pilgrim failure, Ferguson said a sudden rise in health insurance premiums by the companies that are still in business is creating another crisis.

Blue Cross & Blue Shield of Rhode Island and UnitedHealthcare of New England have both said they are boosting rates by as much as 15 percent — and some individual employers have said their premiums have increased by 20, 30 percent and more.

One consequence is that thousands of workers have been unable to afford the subsequent hike in co-payments for the premiums, she said.

As a result, about 10,000 people have moved into the RteCare program in the past four months, boosting enrollment to 90,000. Originally established for children, RteCare takes parents if their incomes are within 185 percent of the federal poverty levels.

Ferguson did not estimate how much the new enrollees could cost the state, which shares the expense of the health-care program with the federal government, under the Medicaid program.

And she was deliberately shy on details of just what kind of a plan the state could come up with.

She said it might take the form of subsidies to employers, to help them cope with the cost of their insurance plans, or to workers themselves.

Ferguson said what is important is that the current form of providing health insurance — mainly through workplace-funded plans — not be dropped.

Ferguson's optimism about being able to at least suggest a plan under which the state might help the uninsured was a rare ray of light in what has been a dismal health-care picture.

The failure of the Harvard Pilgrim system in Rhode Island is the most obvious part of what some experts are describing as a health care crisis in the state.

Harvard Pilgrim has been the state's third-largest insurer, and now more than 100,000 of its subscribers are having to find new insurance coverage before year's end.

But in addition, all insurance companies have had troubles: Blue Cross lost millions of dollars in the last three years, and UnitedHealthcare had a big loss last year.

**THE LEGISLATIVE COMMISSION** was formed last spring during the General Assembly's drive to enact a new law to cover sales of health insurance companies, after Blue Cross had toyed with the idea of putting itself up for sale.

House Majority Leader Gerard M. Martineau, the chairman, said he wanted the commission to look into possible new legislation to deal with health insurance, as well as to look at other parts of the sickly medical system.

Also testifying last night was Dr. Patricia A. Nolan, state director of health.

Nolan was asked whether Rhode Island might be a laboratory of sorts for trying to solve the health-coverage quandary, because it is so small.

She said that its small size might actually work against it. But she said that banding together with Massachusetts and Connecticut might create a bigger base from which to address such problems.

Nolan said one of the issues with health care is that nobody wants second-rate medical treatment. But few relish the thought of paying higher premiums or taxes to buy it.

"We want high quality health care," Nolan said. "Nobody wants to purchase the minimum quality ... nobody wants to know that their doctor graduated last in his class."

## FROM PAGE ONE

# Coalition calls for a DEPCO-like health commission

■ Governor Almond dismisses the proposal, saying the state has responded appropriately to health-insurance problems. "I don't understand how you could possibly do anything more" with a new agency, he says.

By BRIAN C. JONES  
Journal Staff Writer

PROVIDENCE — Health-care activists yesterday proposed an agency similar to the one that helped Rhode Island solve the banking crisis — this time to deal with the health insurance crisis.

"We all remember DEPCO. It's time for HEPCO," said Kate Coyne-McCoy, a spokeswoman for the Health Care Organizing Project.

Patterned on the Depositors Economic Protection Corporation, a new health agency could provide the same urgency and problem-solving abilities to issues facing health insurers that DEPCO brought to the failure of state credit unions and banks eight years ago, Coyne-McCoy said.

Put Governor Almond, interviewed after Coyne-McCoy and several others held a State House news conference, rejected the idea. He said the state has already taken appropriate steps.

Almond noted the state's takeover of the Rhode Island unit of Harvard Pilgrim Health Care, which will shut down Dec. 31 because its Massachusetts managers are no longer willing to subsidize millions of dollars in annual losses.

"We've got a receivership, through DBR [the Department of Business Regulation]," Almond said. "I don't understand how you could possibly do anything more by trying to set up a whole new agency."

Another speaker at the news conference, Marti Rosenberg, questioned whether Almond has done enough to resolve the problems created by Harvard Pilgrim's failure, which has been compounded by the decision of a second health insurance company — Tufts Health Plan — to quit Rhode Island.

"Clearly, the person who can do the most is Governor Almond," Rosenberg said.

The Republican governor said the state has moved quickly, and he suggested that his critics might have political motives.

"I don't know what the criticism is," Almond said. "I'm not going to get into a congressional campaign over this, if that's the intent here. This is a serious issue on health care in Rhode Island, and we've got to take a look at it."

Coyne-McCoy is a candidate for the Democratic nomination in the 2nd Congressional District. She is also executive director of the Rhode Island chapter of the National Association of Social Workers, which has been outspoken on health-care issues.

The Health Care Organizing Project is a coalition of union, professional and community groups, and has been active in the debate over for-profit hospitals and insurance companies.

Its proposal yesterday for a "health equity protection commission" outlined three goals.

■ Help doctors, hospitals and other health-care providers get millions of dollars they say they are owed by Harvard Pilgrim. Coyne-McCoy said the Massachusetts parent company has more than \$100 million in net worth that could pay the back bills.

■ Coordinate the efforts of various state agencies — the Department of Health, the attorney general's office, the Department of Human Services and DBR — which have a role in health care.

■ Fashion new laws to "protect consumers and providers from a repeat performance by other insurers."

Meanwhile, Rosenberg, another spokeswoman for the advocates' coalition, said the group would circulate a petition to urge "strong state leadership" to deal with health-care issues.

The petition asks for a DEPCO-like "entity"; a guarantee of health insurance for all; provisions that patients keep their doctors if health plans fail; and a consumer advisory committee at the Department of Business Regulation.

Almond said there are "apples-and-oranges" differences between the banking and health-care episodes, beginning with his view that individual consumers are not losing money the way that depositors did when the banks failed.

Most consumers, he said, need to find new health insurance, which the state is trying to help them do. As for the worries of hospitals and others that they won't get paid, he said DBR would seek payments through a court receivership, having already formally taken over Harvard Pilgrim.

"The losses, if any, would be with the providers, and we are working hard through the receivership to recover that," Almond said.

Almond said it's too early, since Harvard Pilgrim is still operating, to tell how much the bills will be and what funds will be left to pay for them.

The Rhode Island Medical Society has said its physician-members are worried they will be at the end of the line in a payout of any remaining Harvard Pilgrim assets.

Similarly, the Hospital Associa-

tion of Rhode Island has said the state's hospitals believe that Harvard Pilgrim owes them between \$25 million and \$30 million.

One network of hospitals, Care New England, which includes Women & Infants, Kent County Memorial and Butler psychiatric hospitals, has filed suit in Superior

Court, saying the insurance company owes \$8 million.

As far as the proposal for universal health insurance, Almond repeated that he has assigned his director of human services, Christine Ferguson, to develop a plan to provide health insurance for those who don't get it now.

Ferguson oversees the state's RItCare program, which provides health maintenance organization coverage for 90,000 low-income children and their parents.

Almond said that "the next steps will come logically to make sure we can cover as many people as we can."

# Campaign for Social & Health Security

*Moline Dispatch & Rock Island Argus*  
September 3, 1999

## Evans says decisions should change hands

By Leon Lagerstrom  
Staff writer

**EAST MOLINE** — Health care decisions need to be placed back in the hands of doctors and patients, instead of managed-care companies looking only at the bottom-line, congressman Lane Evans said Thursday.

Rep. Evans, D-Rock Island, joined Illinois State Council of Senior Citizens President Dell Morrison and Citizen Action/Illinois executive director John Cameron to announce their support of a recently announced "Bipartisan Consensus Managed Care Improvement Act."

Signs held behind the three speakers as they addressed a crowd of about 25 people at the South Moline Township Senior Center in East Moline read "Hey Congress: Pass the Patients Bill of Rights" and "Protect patients not HMO legislation."

Key provisions of the patient protection bill supported by Rep. Evans include direct access to specialty care, emergency care even if treatment is delivered at facilities not

covered under an HMO, and continuity of care despite network or plan changes.

Other components promise patients access to clinical trials, an appeal process for HMO decisions, and allow lawsuits to be filed against HMOs when authorization refusals result in a patient's death or impairment, he outlined.

The most important part, he said, was eliminating a so-called "gag order," giving patients the right to know of all treatment options.

Gov. George Ryan recently signed a similar bill, but it applies to people covered only under state-managed plans, Mr. Cameron said. Most people are covered by federal-managed plans, making a federal bill critical, he said.

U.S. Department of Labor statistics estimate 6.2 million Illinoisans are covered by health care plans exempted from the new state requirements.

Another important reason to reform managed care is the rising number of complaints made against HMO plans in Illinois, Mr. Cameron said. Complaints increased by 17 percent in each of the last two years, he said.

Mr. Morrison cautioned senior citizens to carefully check out HMOs before they join them.



Lane  
Evans



# KANE COUNTY CHRONICLE

Y NEWSPAPER IN CENTRAL KANE COUNTY — SINCE 1881

Friday, October 1, 1995

## Communities

KANE COUNTY CHRONICLE

# Rally cry

## Protesters criticize Hastert on Medicare issue

By MARK FOSTER

*Kane County Chronicle*

BATAVIA — Demanding expanded prescription drug coverage and no cuts in Medicare benefits, a group of Chicagoans from a coalition of advocacy agencies rallied Thursday in front of U.S. House Speaker Dennis Hastert's district office.

The 50 protesters carried placards, chanted slogans and criticized Hastert on the Medicare issue. Their leaders met briefly inside the office with Hastert spokesman John McGovern. After about 5 minutes, the group packed up and left.

Batavia police kept watch over the rally and communicated the desire of the leaders to meet with Hastert's staff. Police Commander John Albertson said the protesters were well-behaved and caused no problems.

It was the fifth rally or protest held in front of Hastert's office since he became speaker of the House.

This time, the protesters were from Illinois Citizen

Council of Seniors and Metro Seniors in Action.

They were demanding a commitment from Hastert to vote against any legislation that would privatize Social Security or Medicare, turn Medicare over to HMOs or private insurance plans or would cut Social Security or Medicare benefits.

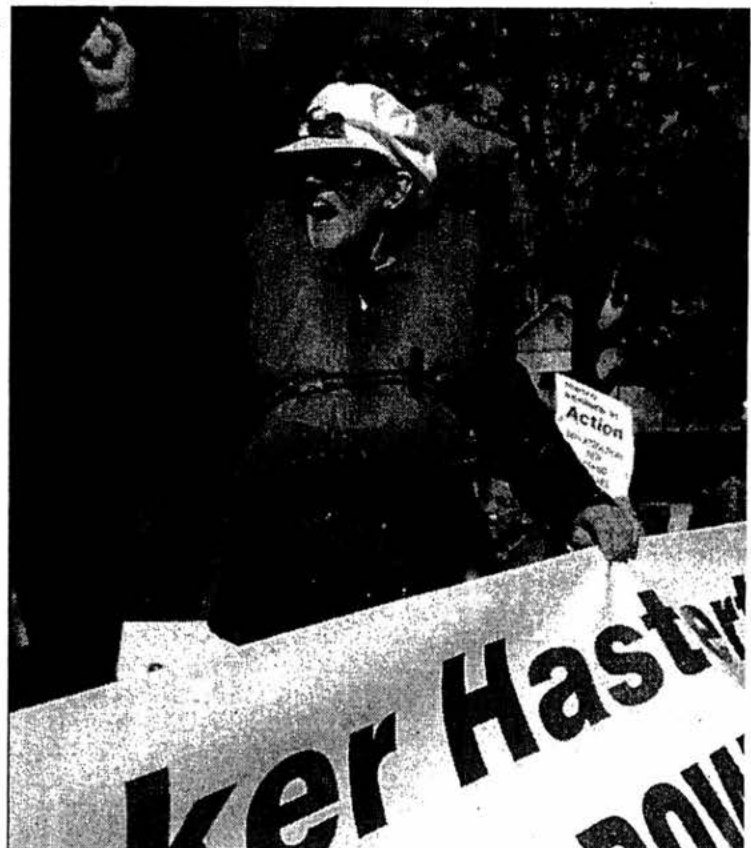
John Cameron of Illinois Citizen Action charged that as speaker, "Hastert has allowed proposals to move forward that would force Medicare beneficiaries into HMOs, while stalling legislation to improve prescription drug benefits."

Medicare recipient Louise Jarog of Chicago, one of the protesters, said she has spent \$1,350 on prescription drugs so far this year.

"I was thinking of bringing my prescription list for Speaker Hastert," Jarog said.

Hastert was in Washington, working on spending plans for the federal government.

The speaker is supporting the Republican legislative package that would provide health-care coverage for the



Bob Gerrard — Chronicle photo

**Martha Wilson of Chicago shouts for expanded prescription coverage and no cuts in Medicare benefits at a rally in front of U.S. House Speaker Dennis Hastert's district office in Batavia**

sured citizens.

The legislation includes tax-free Medical Savings

deductibility of individual insurance premiums for self-employed

# Chicago Tribune

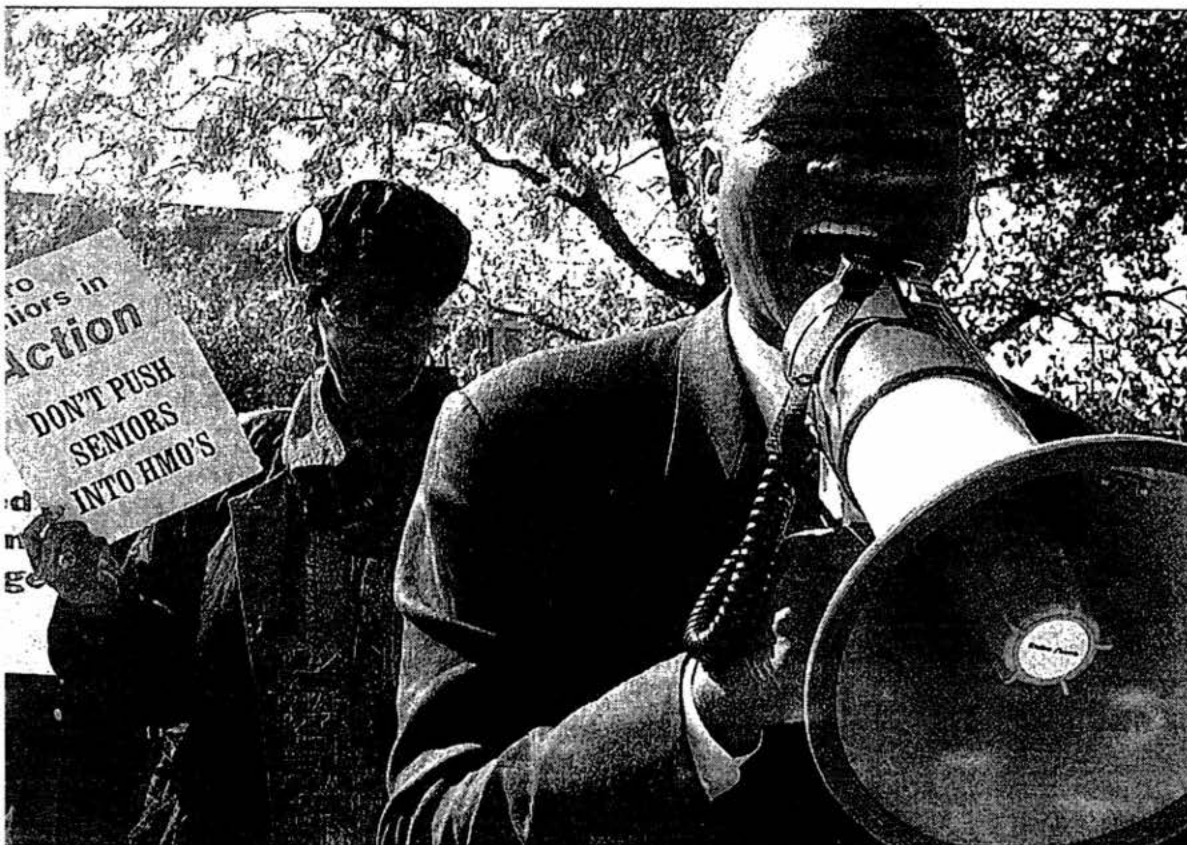
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Friday, October 1, 1999

D Chicago Tribune, Friday, October 1, 1999 Section 2 3

## WESTERN SUBURBS



Tribune photo by Mario Petitti

**Bullhorn diplomacy:** William McNary, legislative director for Citizens Action Illinois, leads a group of seniors in a protest Thursday in front of the Batavia office of U.S. House Speaker Dennis Hastert (R-I.). The group wants Hastert to defend Medicare choice and improve benefits for seniors.

# Daily Herald

— 127th Year, No. 352

Friday, October 1, 1999

10 Sections

50 Cents

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SUBURBS

D3

## Seniors are latest group to protest at Hastert's office

By ERICA MELTZER  
Daily Herald Staff Writer

A group of Chicago area senior citizen activists joined the growing list of protesters Thursday who have made the trek to U.S. House Speaker Dennis Hastert's Batavia office.

Chanting "Hands off Medicare," about 50 protesters from Metro Seniors in Action, the Illinois Council of Senior Citizens, UNITE Seniors and Citizen Action marched in a circle on River Street for about an hour.

In the middle of the marchers, five protesters wearing orange life preservers sat perched in a yellow dinghy.

They held a sign that read, "Don't sell senior citizens down the river."

"He's not just  
Congressman Hastert  
from the 14th District,  
and he has an  
obligation to listen to  
everyone."

— John Cameron,  
executive director,  
Citizen Action

They had come to express support for a Patient Bill of Rights and the Allen bill, which would provide seniors with discounted prices on prescription drugs.

Three versions of the Patient Bill of Rights are expected to come up

for a vote next week. Action on the Allen bill has stalled.

As when activists for the disabled and for abortion rights came to Batavia, Hastert was not in his office.

A small delegation was allowed to speak privately with John McGovern, Hastert's press secretary.

One woman gave McGovern a list of the prices of more than a dozen prescription drugs she must take.

McGovern said afterward that Hastert was concerned about the cost of prescription drugs and access to health care, but the Republican speaker doesn't agree with the protesters' solutions.

He also pointed out that the protesters did not come from Hastert's 14th District.

"Many of these people obviously are not from Speaker Hastert's district," he said. "Chicago is represented by a number of congressmen, all of whom have offices in the city, and I think they'd be better off talking to the people who represent them."

John Cameron, executive director of Citizen Action, said his organization has almost 2,000 members in the 14th District, but they couldn't attend the protest because many work during the day. He also said that Hastert's position means he must look beyond his own district.

"He is the speaker of the U.S. House," he said. "He's not just Congressman Hastert from the 14th District, and he has an obligation to listen to everyone."



# The Beacon News

FRIDAY

October 1, 1999

The ring



of truth

au Aurora, Illinois

## Seniors ask Hastert to remember health issues

By Mike Norbut  
STAFF WRITER

BATAVIA — Martha Wilson was ready if the streets here suddenly flooded.

Decked out in a bright orange life vest, a yachting cap and dark sunglasses, the 70-year-old Chicago native sat in a little yellow fishing boat parked right in front of House Speaker Dennis Hastert's district office.

Wilson wasn't waiting for a deluge to wash her away, though. Rather, she was hoping Hastert would see her metaphorical message about Medicare.

"We don't want to sink," Wilson said. "We have to keep above water."

About 40 seniors — nearly all of whom came from Chicago — staged a rally outside Hastert's office Thursday morning, calling on the speaker to keep the elderly in mind in upcoming federal budget negotiations.

Chanting slogans like, "Don't sell seniors down the river," and "Don't

push seniors into HMOs," the crowd spent less than an hour venting their frustrations about the current health-care system, including high-priced prescriptions and expensive managed care premiums.

"We want them to know what we want, in case they don't know," said Chicago resident Nellie Durrell, a member of Metro Seniors in Action. "We want the right to sue HMOs. We want prescriptions to be cheaper."

### 'Mute of the House'

Seniors asked Hastert to sign a pledge saying he would vote against legislation to privatize Social Security and Medicare, he would support a patient's Bill of Rights and he would work to provide "affordable prescription drug coverage to all beneficiaries."

John Cameron, executive director of Citizen Action, a Chicago-based lobbying group, said the same pledge was mailed to Hastert earlier this year and received no response.

"He's not the Speaker of the House, but the Mute of the House because he doesn't respond," Cameron said.

Although Hastert currently is in Washington, D.C., his aides did welcome some seniors into the office to listen to their views. Cameron said they didn't leave with any steadfast answers about Hastert's position.

John McGovern, Hastert's Illinois press secretary, said the Speaker agreed with seniors on prescription-drug issue, though he disagreed with President Clinton's proposal because it would coincide with cuts in other areas.

### Costs and coverage

Earlier this week, Hastert released a statement on the health-care debate, saying he favored coverage for America's 44 million uninsured "through new options and market-based reforms."

"I have always said that, if health care coverage isn't affordable, it isn't accessible," Hastert said. "Costs and coverage

go hand-in-hand."

This was the fourth demonstration staged in front of Hastert's office this year, but McGovern said lobbyists and protesters — especially those from outside the district — probably could have more of an impact by talking to their own congressman.

"Frankly, a protest such as this doesn't do much to advance one side or the other," McGovern said.

Cameron took exception to the point that the marching seniors were not from the Tri-Cities area.

"I think that's a dodge," he said. "These proposals are popular across the board, regardless of where you live. He is not Speaker of the 14th District. If he wants to meet with people in the district, we'll be glad to arrange that."

You can contact Mike Norbut at (630) 844-5829 or send e-mail to michael.norbut@exchange.copley-press.com.



A C O P L E Y N E W S P A P E R

# The Courier News

FRIDAY

October 1, 1999

The ring



of truth

el

Elgin, Illinois

## Seniors' rally to Hastert: Remember health issues

By Mike Norbut  
STAFF WRITER

BATAVIA — Martha Wilson was ready if streets here suddenly flooded.

Decked out in a bright orange life vest, a yachting cap and dark sunglasses, the 70-year-old Chicago native sat in a little yellow fishing boat parked right in front of House Speaker Dennis Hastert's district office.

Wilson wasn't waiting for a deluge to wash her away. She was hoping Hastert would see her metaphorical message about Medicare.

"We don't want to sink," Wilson said. "We have to keep above water."

About 40 seniors — nearly all of whom came from Chicago — staged a rally outside Hastert's office Thursday morning, calling on the speaker to keep

the elderly in mind in the upcoming federal budget negotiations.

Chanting slogans like, "Don't sell seniors down the river," and "Don't push seniors into HMOs," the crowd spent about an hour venting their frustrations about the health-care system, including high-priced prescriptions and expensive managed-care premiums.

"We want them to know what we want, in case they don't know," said Chicago resident Nellie Durrell, a member of Metro Seniors in Action. "We want the right to sue HMOs. We want prescriptions to be cheaper."

### 'Mute of the House'

The seniors asked Hastert to sign a pledge stating he would vote against legislation that would privatize Social Security and Medicare, that he would

support a patient's Bill of Rights and that he would work to provide "affordable prescription drug coverage to all beneficiaries."

John Cameron, executive director of Citizen Action, a Chicago-based lobbying group, said the same pledge was mailed to Hastert earlier this year and received no response.

"He's not the speaker of the house, but the Mute of the House because he doesn't respond," Cameron said.

Although Hastert is in Washington, D.C., his aides did welcome some seniors into the office to listen to their views. Cameron said they didn't leave with any steadfast answers about Hastert's position.

John McGovern, Hastert's Illinois press secretary, said the speaker agreed with seniors on the prescription drug

issue, though he disagreed with President Bill Clinton's proposal because it would coincide with cuts in other areas.

### Costs and coverage

Earlier this week, Hastert released a statement on the health-care debate, saying he favors coverage for America's 44 million uninsured "through new options and market-based reforms."

"I have always said that if health care coverage isn't affordable, it isn't accessible," Hastert said. "Costs and coverage go hand-in-hand."

This was the fourth demonstration staged in front of Hastert's office this year, but McGovern said lobbyists and protesters — especially those from outside the district — probably could have more of an impact by talking to their own congressman.

# KANE COUNTY CHRONICLE

\$1 #1 SELLING DAILY NEWSPAPER IN CENTRAL KANE COUNTY — SINCE 1881

November 13-14, 1999

## Activists seek cut in prescription drug prices

### More than 200 hold protest outside Hastert's district office

By MARK FOSTER

*Kane County Chronicle*

BATAVIA — More than 200 activists from across the nation rallied outside U.S. House Speaker Dennis Hastert's Batavia district office Friday, demanding legislation to cut prescription drug prices for Medicare patients.

They brought thousands of empty prescription drug bottles, and dumped them at the door to the speaker's office at 27 N. River St.

The demonstrators charged that Hastert is standing in the way of legislation that would provide seniors with coverage for prescription drugs, and is putting the interests of big pharmaceutical companies ahead of ordinary people.

The group rallied under the banner of US Action, and other activist organizations, including Illinois Action and Metro Seniors.

'US Action is "a newly launched nationwide grassroots organization fighting for social, economic, racial and environmental justice."

John Cameron of Illinois Action, leader of the rally, charged that House Republicans killed legislation in committee to cut prescription prices for Medicare patients, and that Hastert this month used his power as speaker to prevent a floor debate on the issue.

Cameron said that senior citizens pay an average of \$525 per month out-of-pocket for medical costs.

"We need for the Speaker of the House to stop speaking for the drug companies and start speaking for us," Cameron said.

Illinois Action rallied in front of Hastert's office on the same issue about two months ago. Cameron said Hastert has refused to meet with his group.

Inside the office, Hastert press secretary John McGovern said the speaker was not in the office, and that the district staff would not meet with the protest leaders.

"They want universal entitlement, and that would bust the budget," McGovern said.

"Under President Clinton's plan, we

would have to either raise taxes or cut Medicare benefits," McGovern added.

McGovern noted that he met with the group's leaders the last time they made their protest.

Outside, the demonstrators chanted slogans like "No health care, no peace!" and held placards aloft.

They cheered as their leaders, from states including Maine, Mississippi, Arizona and Minnesota, made speeches.

"We have people who have to make a choice whether to eat or buy prescription drugs!" declared Norma Murray of Metro Action for Seniors.

"Speaker Hastert, you've shown your priorities to America's seniors. Next November, America's seniors will show you theirs," Cameron shouted.

John Marvin of Maine said that many seniors find it less expensive to cross the border into Canada to buy prescriptions.

One by one, representatives of US Action's state organizations dumped



Bob Gerrard — Chronicle photo staff

Sara Williams of Jackson, Miss., protesting with US Action, places empty prescription bottles into a barrel at U.S. House Speaker Dennis Hastert's office.

Please see **PROTEST** page 8

## Protest

Continued from Page 1

their empty prescription drug bottles into a large barrel, filling it to overflowing, and placed it at the locked door of Hastert's office.

State Rep. Mary Flowers, D-Chicago, also participated in the rally.

"Health care is an issue that can't wait. Prescription drug coverage is not a luxury, it's a necessity," Flowers said.

"These are people who have paid their dues," Flowers said.

Flowers said the state government is powerless to change Medicare policy.

"We're at the mercy of the federal government," Flowers said.

Rank and file members of the protest were equally vocal.

"We're going to tell Hastert loud and clear that we want something done about outrageous prescription drug prices," said Sam Gierryn of Madison, Wis.

Gene Farley, a family physician from Madison, said that



Bob Gerrard — Chronicle photo staff

**John Marvin of Maine, left, of the National Council of Senior Citizens speaks as Juan Carlos of US Action holds the bullhorn at a protest over prescription prices Friday in front of House Speaker Dennis Hastert's district office in Batavia.**

"Hastert's stand means that our patients pay exorbitant prices. He speaks only for corporate profit."

Seniors are entitled to the same price breaks as large buyers, like HMOs, said Pedro Rodriguez of Philadelphia, Pa.



75¢

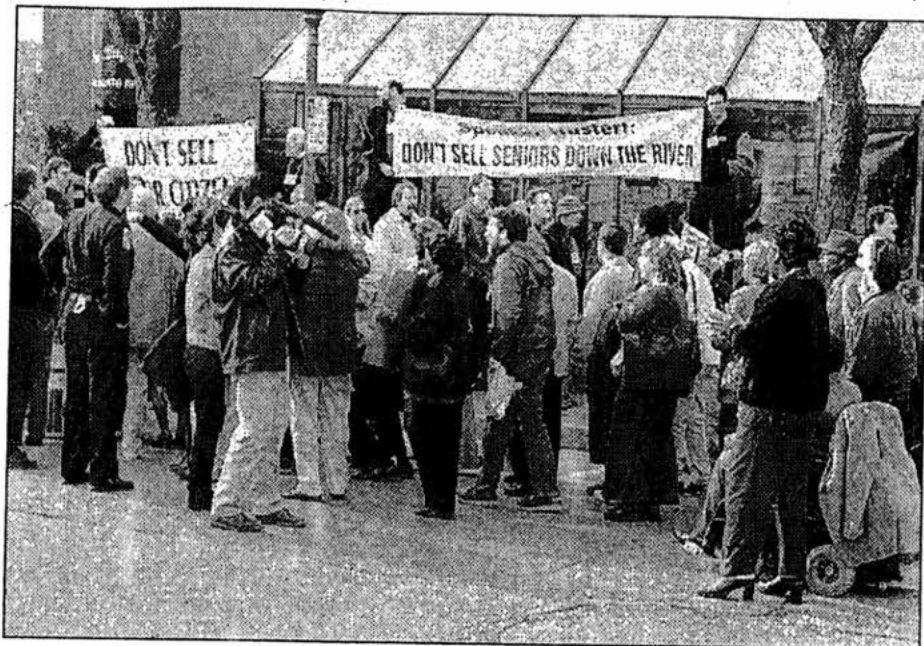
# The Batavia Republican

Your hometown newspaper

Thursday,  
November 18, 1999  
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Volume 10 No. 24

## Local news



Press-Republican photo by Chris Petersen

A coalition of activist groups protested outside Speaker Dennis Hastert's Batavia office Friday. The group wants Hastert to push for lower medical costs for senior citizens.

## Protestors heckle Hastert during health care protest

### Groups demand lower medical bills for seniors

by Christopher Petersen  
Batavia city editor

Speaker of the House Dennis Hastert, R-Batavia, was called to task on his record on medical costs for the elderly Friday when a crowd of almost 200 protesters from around the nation demonstrated in front of Hastert's Batavia office.

The raucous but peaceful protesters, organized from more than 30 states by U.S. Action, a coalition of activist groups from around the country, were protesting the speaker's move on Nov. 5 to quash debate of House Resolution 664. The bill would allow senior citizens without health insurance to pay the same prices for prescription drugs as HMOs and government agencies. The bill had been defeated in the House

Ways and Means Committee on Oct. 25 by a straight party vote. The bill has been called an unfair price control on drug companies by opponents.

"HMOs and those companies can buy those drugs at half the cost that we pay for them," said Alice McGhee, a senior from Chicago and a member of Metro Seniors in Action (MSA) who was present at the Speaker's office.

Protesters claimed that Hastert had promised them before that he would work in Congress to reduce prescription medication costs, and said they viewed his stoppage of debate on H.R. 664 as breaking that promise.

"We're picketing the good man's office because he doesn't want to help us," said Josie Wright of MSA.

See **Protest** Page 22



## Local news

### Protest

Continued from Page 11

"We want to send him a message," said George Reilly, a retired weights and measures inspector from Long Island, NY.

Also present at the demonstration was State Rep. Mary Flowers, of the 21st District. Flowers said that Hastert had spoken with her two weeks ago when he visited Englewood High School in her district, and expressed interest in discussing the issue with her at a later date. She said she was in Batavia to follow up on that offer.

"We need his input, we need his wisdom," Flowers said. "He is no longer the speaker of just the people of this district."

William McNary, legislative director of Citizen Action Illinois, implied that the reason Hastert suspended the vote was because of pressure from pharmaceutical companies.

"It's going to be opposed by the drug companies, and that's natural," McNary said.

"A lot of our seniors are cutting their prescriptions in half with a butter knife," Sam Gieryn of Citizen Action Wisconsin said.

Chanting "health, not wealth," and "H.R. 664, Mr. Speaker, move it on the floor," the crowd brandished empty prescription medicine bottles that they had brought to leave as a symbol of their wishes. Representatives from 38 states brought their bottles to be placed in a can in front of Hastert's office.

A delegation of the protesters attempted to speak with Hastert, but the speaker was not in his office at the time.

"Unfortunately, he's closing his doors in our faces," Flowers said.

Executive Director of Citizen Action Illinois John Cameron said that despite the majority of the protesters not residing in Illinois, they would return to their home states and pressure their representatives not to support Hastert for the office of Speaker of the House again.

"This is a defining issue," Cameron said. "I think a lot of folks here agree with us."

After the demonstrators left, Hastert Press Secretary John McGovern said that the issue was not the price of medications, but getting medical coverage for seniors who are currently

not under a medical plan. H.R. 664, in effect, would impose price controls on drug companies, McGovern said.

"We'd like to find a way to provide benefits to seniors who don't have them," McGovern said. "That's the [problem] that needs to be addressed."

McGovern cited H.R. 664's failure to pass out of the Ways and Means Committee as the reason why Hastert quashed its debate on the floor.

When asked why the delegation from the protest was not allowed inside, McGovern said, "Nothing has changed in the debate since they came first."

The protesters promised that would not be discouraged by Hastert's absence.

"We'll be back," they chanted as they boarded buses for their home states.

# Protesters visit Hastert's office - again

**BY ERICA MELTZER Daily Herald Staff Writer**

More than 200 activists from about 30 states descended on Dennis Hastert's Batavia office in the largest protest held at the office since Hastert became House speaker.

The protesters wanted to draw attention to the high cost of prescription drugs for senior citizens.

"Having prescription drugs is not a luxury; it is a God-given right," said state Rep. Mary Flowers of Chicago, who attended the protest in hopes of meeting with Hastert.

Hastert, who was named House speaker in January, was not in his office.

The protest was organized by USAction, a coalition of 39 state-level organizations founded Thursday at a conference held at the Arlington Park Hilton. Participants traveled in five buses to Hastert's office to make good on a promise made by Illinois Citizen Action last month.

Citizen Action, one of the founding members of USAction, organized a smaller protest on some of the same issues in October and promised to return if it didn't get the legislation they wanted.

A Patients Bill of Rights passed, but legislation that would allow Medicare recipients to receive the same large-buyer discounts that HMOs and the federal government receive on prescription drugs failed to get out of committee.

"He moved a bill to create \$800 million in tax cuts, but he hasn't moved a bill on prescription drugs," said Jeff Blum, a USAction organizer from Washington, D.C. "The speaker should be a leader. Otherwise, what's he doing here?"

John McGovern, Hastert's press secretary, said Hastert cares about the problem of prescription drug costs but doesn't support the Allen bill favored by protesters.

"They believe we should have price controls on prescription drugs," he said. "We believe that's a mistake."

McGovern said Hastert would support a plan that would help those without other coverage, but he didn't say what such a plan would look like.

At previous protests, a delegation was allowed to speak with Hastert's staff, but Friday the door remained locked as protesters crowded around the door chanting, "H.R. 664, Mr. Speaker, move it on the floor."

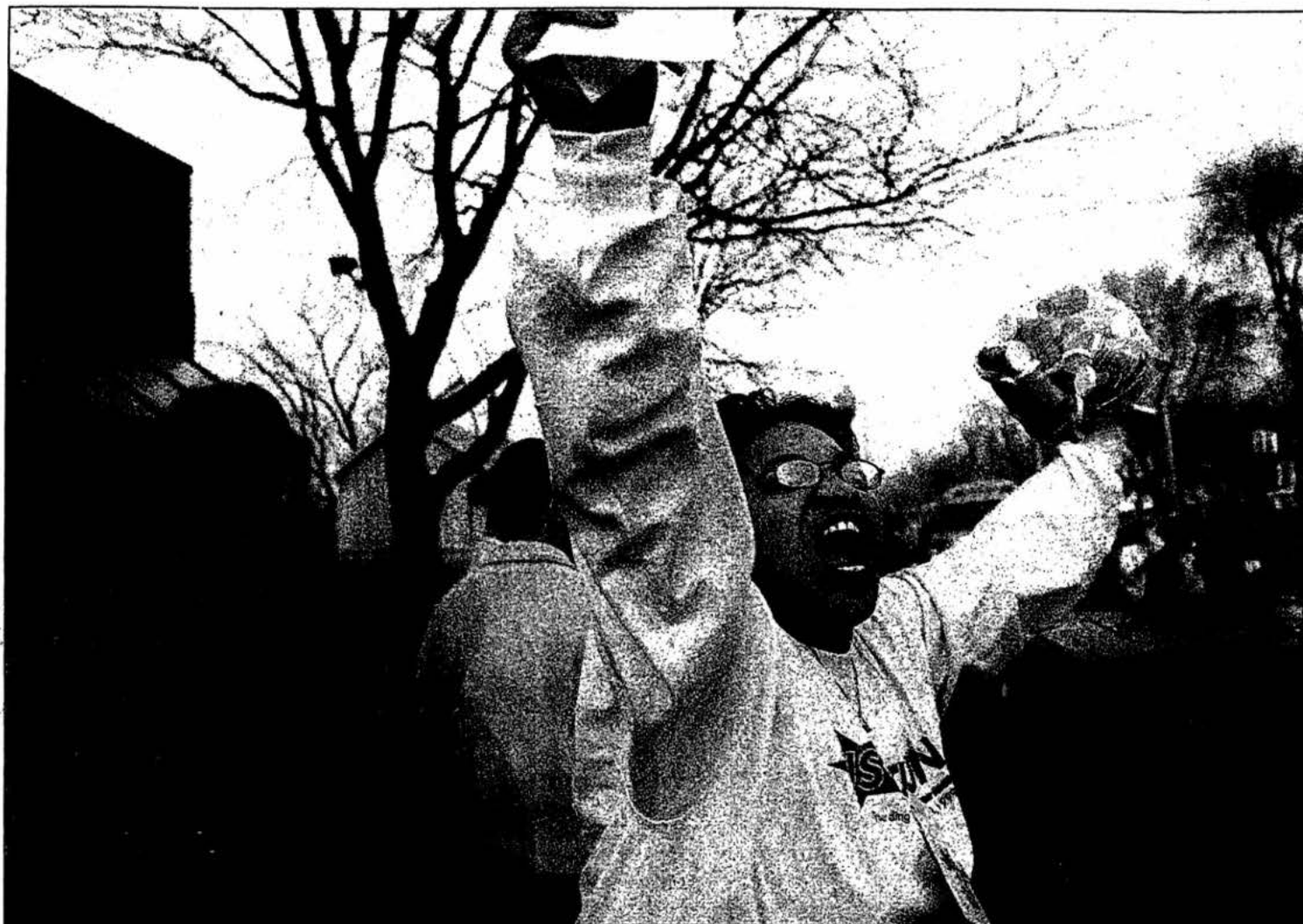
"We've heard their views," McGovern said of not meeting with the protesters. "We've heard their positions. Nothing has changed since the last time they were here."

Protesters deposited thousands of prescription drug bottles in a 50-gallon drum and left it in front of the door.

Return

**Daily Herald**

# Protesters rally at Hastert's office



STEVE ROZENBERG / STAFF PHOTOGRAPHER

**Luwannia Johnson of Connecticut joins busloads of protesters from across the country in a demonstration outside House Speaker J. Dennis Hastert's home-district office in Batavia on Friday, where they deposited empty prescription-medicine vials.**

## ■ Prescription worries: Empty drug vials dumped at speaker's office door

By Mike Norbut  
STAFF WRITER

BATAVIA — There's only one protest outside House Speaker Dennis Hastert's district office here that sticks out in Mike Foster's mind.

Foster, vice president of Williams Power Corp., which is just down River Street from Hastert's local facility, remembered a recent occasion when a raucous group with a bullhorn protested Medicare's lack of coverage for senior citizens' prescription drugs.

He was surprised to hear the same group was coming Friday and even more surprised

when he looked out his window.

"Are you kidding me?" he said. "They're coming in on buses?"

Five buses to be exact. About 250 people gathered in front of Hastert's office to vent their frustrations about having to foot the bill for high-priced prescription drugs.

Protesters ranged in age from their early 20s to their 80s, and hailed from about 30 different states. They all were associated in some way with USAction, a Washington, D.C.-based lobbying group hosting a conference this week in Chicago.

"We're moving at glacial speed," said George Reilly, a Long Island, N.Y., native who marched in front of Hastert's office in downtown Batavia. "It's a process, but we do believe in the law, and we do believe in the process."

The protesters came armed with signs and props, as they deposited hundreds of empty, prescription-drug vials, many of

which had made-up labels, in front of the office door.

One label, directed at Hastert, read: "Take twice daily for the pain you cause New Jersey Medicare recipients by refusing to do anything about rising drug costs."

## Hastert not in

Hastert was not at his district office to witness the demonstration, and protesters were not allowed inside to speak with staff members.

John McGovern, Hastert's Illinois press secretary, said the people were not granted a meeting because the staff had business to conduct, and many of the same protesters were given a chance to voice their opinions when they staged a rally about six weeks ago.

The crowd also chanted slogans such as:

❖ Turn to **HASTERT, A4**



## HASTERT

From page A1

"What do we want? Prescription drugs! When do we want them? Now!" and "We'll remember in November," referring to Hastert's bid for re-election next year. Most of the protesters, however, will not be able to vote for or against the speaker because they don't live in his Fox Valley district.

"If the people who supported him last time for Speaker change their minds or aren't re-elected, he might not be speaker again," said John Cameron, executive director for Citizen Action, a Chicago-based lobbying group. "It's up to folks (living) here to decide if he's re-elected, but the (protesters) can have influence in their own districts."

Just like the group's protest last month, Fox Valley residents were conspicuously absent from Friday's gathering, though organizers said the issue was national, and Hastert was a man whose reach extended beyond his district.

### Quieter constituency

However, McGovern said, "less than a handful" of constituents have called the district office to complain about the prescription-drug issue.

"I think they understand what the real issue is at stake," McGovern said.

McGovern said Hastert supports paying for prescription drugs, but he disagreed with President Bill

Clinton's proposal, which McGovern called "financially unworkable."

"It makes more sense to target seniors with no coverage and help them find a way to deal with prescription drug costs," McGovern said. "It's clear (USAction's) agenda is to score political points."

There have now been five demonstrations in front of Hastert's office this year, and two have been orchestrated by the same group and dealt with the prescription-drug issue.

### 'A good thing' for Batavia

Some residents, though, said Friday's protest, which spilled into River Street, was the largest demonstration they've seen so far.

"It's interesting, a good thing for Batavia," resident Maria Cupach said. "We're a little quiet town. This makes us feel a little more centered."

Many Batavia residents and business owners echoed Cupach's sentiments and did not even seem to mind people coming from out of town to stage protests.

"If this happened every day, yeah, that definitely would be annoying," Foster said, "but I can put up with a little noise for a short period of time. It kind of goes with the territory when you're speaker of the House."

McGovern, however, was not as pleased with the protesters.

"Obviously, citizens have the right to express their views," he said. "But at a certain point, these stunts diminish the quality of debate and the seriousness of the issues at hand."

A C O P L E Y N E W S P A P E R

# The Beacon News

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**SATURDAY**  
November 13, 1999

au Aurora, Illinois

Luwannia Johnson  
of Connecticut  
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protesters from  
across the country in  
a demonstration  
outside House  
Speaker J. Dennis  
Hastert's home  
district office in  
Batavia Friday.

STEVE ROSENBERG  
STAFF  
PHOTOGRAPHER



## Protesters by the busload rally at Hastert's office

■ **Hardly local:**  
Many demonstrators came  
from parts far removed

By Mike Norbut  
STAFF WRITER

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♦ Turn to **HASTERT, A4** •

## HASTER

From page A1

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# USA TODAY

NO. 1 IN THE USA . . . FIRST IN DAILY READERS

12A • WEDNESDAY, MAY 12, 1999 • USA TODAY

## ACROSS THE USA

News from every state

**Illinois:** Springfield — Complaints about HMOs are on the rise, demonstrating a need for lawmakers to better protect patients, the consumer group Citizen Action said. It found the average number of complaints per 10,000 HMO customers rose from 3.26 in 1996 to 5.01 in 1997, an increase of 53.6%.

Chicago Sun-Times

NEWS

Wednesday, May 12, 1999

65

## HMO complaints leap, consumer group says

ASSOCIATED PRESS

SPRINGFIELD—Complaints about health maintenance organizations are on the rise, demonstrating the need for lawmakers to better protect patients, a consumer group said Tuesday.

"Complaint ratios have soared as more Illinoisans are finding their health entrusted to these profit-driven plans," said John Cameron, executive director of Citizen Action.

Citizen Action reported that a key measure of consumer complaints jumped 54 percent for the state's 10 largest HMOs in 1997, but an industry group says those complaints represented only a fraction of all HMO customers. The Chicago Sun-

Times documented the jump in 1997 HMO complaints in a story last June.

Lawmakers and lobbyists have argued for years over what should be done. The biggest sticking point has been whether customers should be able to sue HMOs for malpractice.

Citizen Action wants the malpractice provision, but support for that element may be waning. House Speaker Michael Madigan (D-Chicago) has repeatedly said he does not want it to hold up action on other consumer protections.

Rep. Mary Flowers—a Chicago Democrat pushing for more HMO restrictions—said she is not giving up. "We're talking about people's lives," she said.



TODAY'S WEATHER  
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# Chicago Defender



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Newspaper

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Wednesday, May 12, 1999

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94 Years of Continuous Publishing - 1905-1999

# Rise in HMO complaints

## Report sparks call for statewide regulation

by Ytasha L. Womack

HMO complaints jumped more than 50 percent last year, leading consumer advocates to call for statewide managed-care legislation.

Citizen Action's third annual HMO report, HMO Profiles/A Consumer Comparison of the Largest Illinois Health Maintenance Organizations, showed a drastic increase in enrollee complaints, particularly among some of the fastest-growing

HMOs in the state.

The report found that seven of the 10 largest Illinois HMOs saw complaint ratios rise in 1997.

According to David Stahr, Citizen Action research director, the rise in complaints should be used to push a state Patient Bill of Rights.

"This underscores the need of the General Assembly to pass legislation," Stahr said. "We need basic protections to assure consumers

that their medical care is based on need rather than greed."

Currently, one in five Illinoisans has a state HMO. The report stated that United HealthCare of Illinois, which was recently criticized for dropping coverage for 12,000 Medicare enrollees last year, has the highest number of complaints among all large HMOs statewide.

(See HMOs, page 6)

# HMO complaints on rise in state

(HMOs, from page 1)

AetnaUS HealthCare, the fastest-growing HMO in 1998 tripled its enrollee complaints, giving it the third-worst record in the state.

American Health Care Providers, which recently tripled in size after the acquisition of two other HMO plans, also had one of the second worst complaint records.

Moreover, premiums for the 10 largest plans increased by 2 percent to an average cost of \$1,539.

HMO Illinois Group

Health Plan and Personal-Care Insurance reported drops in the number of complaints.

According to Dr. Sydney Bild, health policy chair for Metro Seniors in Action, all HMOs aren't problematic.

"However consumers need information and the ability to hold the 'bad apples' liable for their actions," he said.

Stahr hopes the report will move the state legislature to take action. Patient Rights Bill 626 was recently passed by the state House, but has not yet been approved by the Senate.

Noting that Gov. Ryan pledged to pass a patient bill of rights during the election, Stahr hopes current negotiations between Ryan and State Rep. Mary Flowers (D-21), who pushed the bill, along with others will result in concrete legislation.

"It's very important that the state have more regulatory oversight over this industry," Stahr said.

"Hopefully, they can come up with something that is good for consumers and good for the industry."

St. Louis  
Post-Dispatch

# Citing HMO complaints, group demands better protection for patients

Public's right to sue  
is sticking point in  
Illinois Legislature

BY CHRISTOPHER WILLS  
The Associated Press

SPRINGFIELD, Ill. — Complaints about health maintenance organizations are on the rise, demonstrating the need for lawmakers to better protect patients, a consumer group said Tuesday.

"Complaint ratios have soared as more Illinoisans are finding their health entrusted to these profit-driven plans," said John Cameron, executive director of Citizen Action.

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The biggest sticking point has been whether customers should be able to sue HMOs for malpractice.

Citizen Action wants the malpractice provision, but support for

that element may be waning.

House Speaker Michael Madigan, D-Chicago, repeatedly has said he does not want it to hold up action on other consumer protections.

Still, Rep. Mary Flowers — a Chicago Democrat pushing for more HMO restrictions — said she is not giving up. "We're talking about people's lives," she said.

But Christopher Hamrick, a spokesman for the Illinois Association of HMOs, said he does not see the malpractice provision emerging from negotiations.

"I believe it's going to be put aside for this year, and they're going to go after the issues on which they can reach agreement," Hamrick said.

Citizen Action looked at complaints filed with the state Insurance Department in 1997, the latest year for which figures are available. It found the average number of complaints per 10,000 HMO customers rose from 3.26 in 1996 to 5.01, an increase of 53.6 percent.

Seven of the 10 largest HMOs, which serve 90 percent of the state's HMO customers, saw more complaints.

Cameron said the law should require more disclosure of HMO satisfaction ratings and track records for denying coverage, create a speedy appeals process to challenge HMO coverage decisions and

## HMO complaints

The number of complaints per 10,000 customers filed against Illinois' 10 largest HMOs in 1997, followed by the 1996 number:

- HMO Illinois (BC/BS of Illinois): 2.68, 2.86.
- Humana Health Plan: 3.06, 2.95.
- United HealthCare of Illinois: 13.62, 4.73.
- Rush Prudential HMO: 4.82, 3.68.
- Health Alliance Medical Plans: 2.06, 1.21.
- AetnaUS HealthCare: 6.18, 2.44.
- Group Health Plan: 2.19, 2.97.
- Principal Health Care of Illinois: 4.75, 3.26.
- PersonalCare Insurance: 1.12, 2.67.
- American Health Care Providers: 12.89, 7.25.

Source: Citizen Action

allow malpractice lawsuits over decisions that lead to death or injury.

But Hamrick said the complaint ratios were based on 1,110 complaints statewide — a fraction of 1 percent of all HMO customers. "They're making an argument not for more managed-care reform but that things are going pretty well," he said.

He said the HMO industry agrees with improving grievance procedures and giving doctors and patients more freedom to make medical decisions. Customers can already sue HMOs, so opening the door to malpractice lawsuits would be unnecessary, he said.

# Political Pollution

November 17, 1999

Written by Beatrice F. Newbury  
For Money Watch 2000

A joint project of New Hampshire Citizens Alliance and ICAN Education Foundation



Money Watch 2000 is a joint project of New Hampshire Citizens Alliance and Iowa Citizen Action Network Education Foundation. The goals of this project are to:

- Educate the public about the problems posed by big money in politics, the need for comprehensive campaign finance reform to solve those problems, and the virtues of "clean money" campaign reform.
- Make campaign finance reform an issue that presidential candidates must discuss during the presidential nominating debate in Iowa and New Hampshire.

Money Watch 2000 is a non-partisan project that does not and will not endorse any candidate.

Money Watch 2000 will be releasing a series of reports to highlight campaign contributions from players in current issue debates. Each report will look at one of today's top political issues, and campaign contributions to the presidential election from the vested interests in that debate.

The purpose of these reports is twofold: to provide voters with information about which special interests are giving to which candidates; and to provide concrete examples of why campaign finance reform is needed.

Other Reports by Money Watch 2000 include:

- *The Flo of Money*, campaign contributions by the pharmaceutical industry, October 6, 1999

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## Summary of Findings

Air pollution is an issue of great concern to the American public because of the serious threat it poses to people's health and the environment. The greatest source of air pollution is the burning of fossil fuels by motor vehicles and electric power plants. Thus, government regulators and environmentalists have focused their efforts to reduce pollution on three industries: auto manufacturers, the petroleum industry and the electric utility industry. Cognizant that efforts to address air pollution are gaining momentum in Congress and the Environmental Protection Agency, these industries have made large contributions to candidates and political parties with the aim of influencing the upcoming election.

Members of the Edison Electric Institute, the American Petroleum Institute and the Alliance of Auto Manufacturers, the trade organizations of the targeted industries, have given \$2,804,115 in soft money, and \$658,389 directly to presidential candidates for a total of \$3,462,504 in the first nine months of 1999.

George W. Bush has received \$521,714—79% of the total hard money contributions and almost four times what all other candidates combined have received from companies belonging to these trade organizations. Bush's record as Governor of Texas, according to many environmental organizations, strongly favors the petroleum and utility industries over what's in the best interest of Texas residents by being lenient on polluters.

While these industries have placed their bets on Bush, they have also made nominal contributions to other candidates in an effort to gain access and build influence with whomever voters choose as the next president. The very distant second place winner in the contribution game is Vice President Al Gore receiving \$56,025, slightly more than one tenth of what Bush has received.

# The Story of Air Pollution

Air pollution is a great concern to the general public because it threatens public health and the integrity of our environment. There are six principal air pollutants: carbon monoxide (CO), lead (Pb), nitrogen dioxide (NO<sub>2</sub>), ozone (O<sub>3</sub>), particulate matter (PM) and sulfur dioxide (SO<sub>2</sub>).

Air pollution is often talked about in less scientific terms. The most widespread air pollution is commonly called "smog." Smog is actually low-level ozone created by a chemical reaction between NO<sub>2</sub> and volatile organic compounds (VOCs) in the presence of heat and sunlight. (see Appendix 1 for more detailed information on air pollution).

Consequences of air pollution include:

- approximately 107 million people living in U.S. counties with unhealthy air;
- increased respiratory symptoms, decreased lung function, increased hospitalization for heart or lung disease triggered by exposure to air pollution;
- possible increased cancer risk;
- ground level ozone responsible for over \$500 million in annual reductions of agricultural and commercial forest yields; and
- contamination of 2,300 US bodies of water which now have fish consumption advisories.<sup>1</sup>

Another significant pollutant, that is not generally considered part of the "air pollution" category is carbon dioxide (CO<sub>2</sub>), the most prominent "greenhouse gas" contributing to global warming. Global warming is a rise in global temperature caused by the insulating effect of "greenhouse gases" becoming trapped in the upper atmosphere.

The biggest cause of air pollution and global warming is the burning of fossil fuels in motor vehicles and electric power plants. Hence, efforts to decrease air pollution are focused on cleaning up auto and power plant emissions. This mainly affects three industries—auto manufacturers, electric utilities, and petroleum producers. The trade organizations of these industries are the Alliance of Auto Manufacturers, the Edison Electric Institute and the American Petroleum Institute.

- The Alliance of Auto Manufacturers has nine members: Ford, General Motors, Daimler-Chrysler, BMW, Volvo, Volkswagen, Nissan, Toyota, and Mazda. AAM replaced the American Auto Manufacturers Association in January.<sup>2</sup>
- The Edison Electric Institute is the trade organization for the electric utility industry. It has about 120 US members and is described as an association of US shareholder owned electric companies, international affiliates and industry associates worldwide. This report looks at the US shareholder-owned electric companies only.<sup>3</sup>

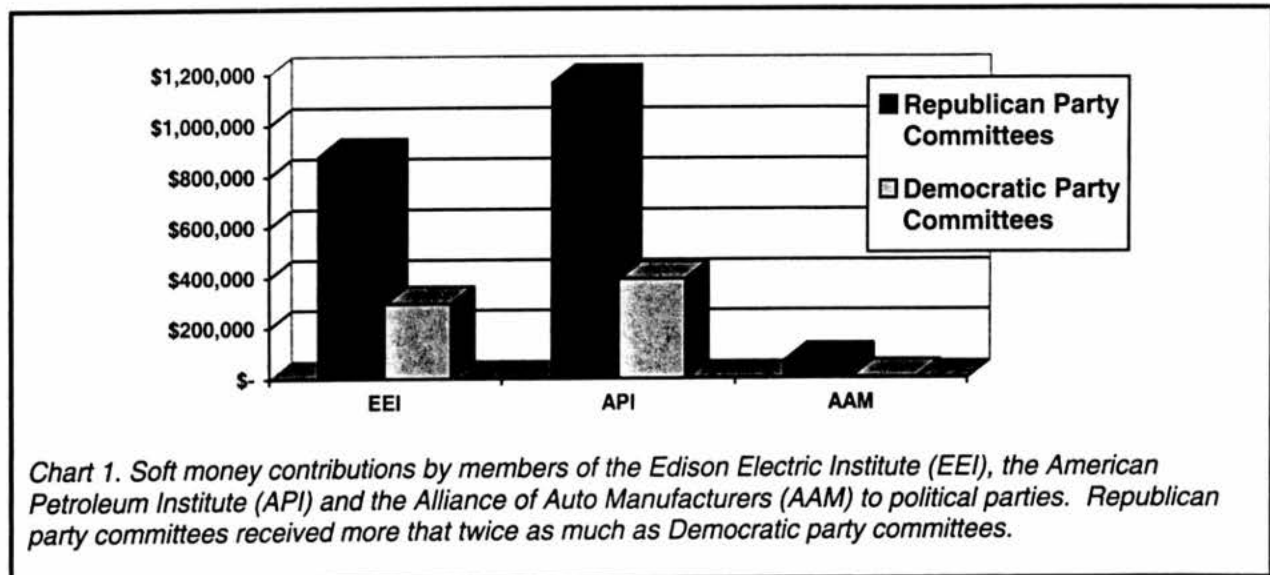
- The American Petroleum Institute has 76 member companies. API describes itself as the petroleum industry's primary trade association which provides information and analysis on the full range of issues that impact every sector of the oil and natural gas industry.<sup>4</sup>

## The Money

Campaign spending by polluters is nothing new. The debate around protecting our environment often pits public health risks against corporate profits, and affected industries use the political system to tip the scale in their favor. Many environmental organizations have documented polluters' efforts to influence policy by contributing to campaigns, contributing to political parties and lobbying Congress.

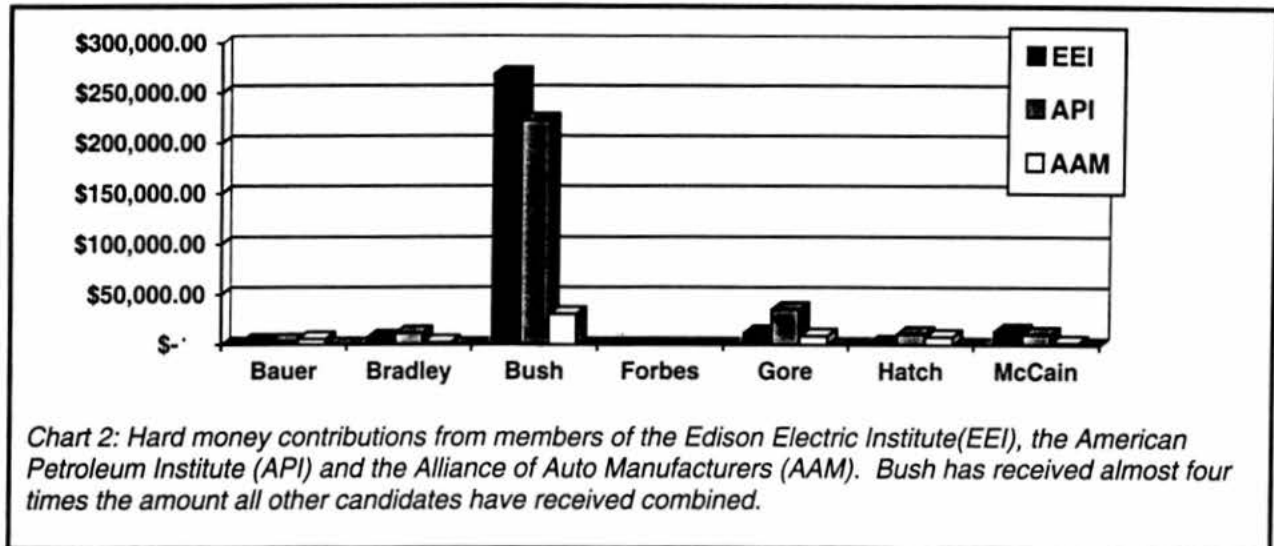
For example, a study by US PIRG shows the petroleum and auto industries spent \$90.8 million on lobbying in 1998 alone. Hard money contributions by the same industries to congressional campaigns from 1992-1998 came to \$33 million. Soft money contributions in the same time period were \$23 million.<sup>5</sup>

This year, with the 2000 presidential race heating up, polluters continue to take part in the money game. In the first nine months of 1999, members of the Edison Electric Institute, the American Petroleum Institute and the Alliance of Auto Manufacturers gave \$2,804,115 in soft money, favoring the Republican party more than two to one.



They have also contributed \$658,389 directly to presidential candidates, heavily favoring Governor George W. Bush with 79% of the money. Contributions in the first nine months of 1999 towards the 2000 presidential election totaled \$3,462,504.





Some of the contributors bundled their donations. Bundling is the practice of pooling individual contributions to maximize political influence. Typically, bundled contributions are delivered on the same day to the candidate. FirstEnergy, a member of the Edison Electric Institute delivered the largest bundle—\$45,500—to George W. Bush on August 18, 1999.

| Date    | Company                  | Amount   | Recipient      |
|---------|--------------------------|----------|----------------|
| 8/18/99 | FirstEnergy              | \$45,500 | George W. Bush |
| 5/26/99 | Reliant Energy           | \$14,850 | George W. Bush |
| 5/26/99 | El Paso Electric Company | \$14,500 | George W. Bush |
| 6/29/99 | Dow Chemical             | \$12,000 | George W. Bush |
| 6/30/99 | El Paso Electric Company | \$11,134 | George W. Bush |

Table1: Bush received the five largest bundled contributions.

## The Politics of Air Pollution

In 1970, Congress passed the Clean Air Act to decrease air pollution. As a result, air pollution emissions, with the exception of nitrogen oxides, have decreased. But two decades later, at least 38 states and the District of Columbia had dangerous levels of smog during the summer.<sup>6</sup> To improve on the Clean Air Act, a number of policy debates addressing air quality are being waged right now in Washington. While there are many others, this reports highlights three current debates.

❖ As part of the 1990 amendments to the Clean Air Act, the Environmental Protection Agency is required to establish new emissions standards for cars and other vehicles to take effect in 2004. The new standards were announced in May and propose to cut car and small truck pollution by an average of 89%, phased in from 2004-2007. The Proposed Standards for Cleaner Cars and Cleaner Fuels would also require the oil industry to sell cleaner gasoline, reducing sulfur levels to 90% below current levels. The American Petroleum Institute is opposing these standards, advocating for the timeline to be extended and the standards relaxed.<sup>7</sup> The Alliance of Auto Manufacturers is advocating a similar position.<sup>8</sup>

❖ Because autos are only part of the story in air pollution, a number of bills under consideration in Congress aim to reduce emissions by power plants, specifically requiring reductions in nitrogen oxides, sulfur oxides, mercury and carbon dioxide. These bills include the Waxman Clean Smokestacks Act, the Jeffords Clean Energy Act, the Pallone Fair Energy Competition Act and the Allen Clean Power Plant Act of 1999. The Waxman and Jeffords bills aim to retire the old coal burning power plants grandfathered by the Clean Air Act in 1970 and 1977. These older power plants pollute at rates up to 10 times modern coal power plants. These plants were grandfathered because in the 1970's they were expected to be retired and replaced by cleaner power plants. But from 1992-1998, the amount of electricity generated by the plants increased by almost 16 percent.<sup>9</sup>

The EPA has also launched lawsuits against 17 power plants owned by 7 parent companies because of Clean Air Act violations.<sup>10</sup> In addition, the EPA has issued an administrative order against the Tennessee Valley Authority and notices of violations naming eight additional power plants. The lawsuits, order and notices all have the same goal: getting these power plants to clean up their act by installing appropriate air pollution-control technology.<sup>11</sup> In response, utilities are lobbying Congress to attach a rider to a pending funding bill to exempt power plants from liability in these suits.<sup>12</sup>

❖ On the global warming front, the Kyoto Protocol has been signed by President Clinton but does not yet have the support of the Senate for ratification. The Kyoto Protocol is an international treaty requiring all industrialized nations to reduce their greenhouse gas emissions by an average of about 5% below 1990 levels by 2010. To comply with the Kyoto Protocol, car and electric utility emissions of carbon dioxide would need to be significantly reduced. Many environmental organizations are working to increase support in the Senate so the US can live up to its obligations under the Kyoto Protocol. On the other side, industries that would be affected are working to discredit the science of global warming, questioning whether it is actually happening. The Alliance of Auto Manufacturers is heavily involved in the Global Climate Information Project, a campaign to discredit the Kyoto Protocol.<sup>13</sup>

## The Candidates on Air Pollution

Most presidential candidates say they support a clean environment. But their positions on how to achieve it vary widely.

The electric utility, petroleum and auto manufacturing industries are clearly backing **George W. Bush's** campaign for president. This is in part because of Bush's status as his party's front-runner. However, Governor Bush's environmental record in Texas also plays a very large role. Bush has received significant criticism from the environmental community for being too lenient on polluting industries. According to Texas Public Employees for Environmental Responsibility, Bush's environmental policies "have consistently catered to the interests of industrial moguls, big landowners and large contributors."<sup>14</sup> During Bush's tenure as governor, the Houston area surpassed Los Angeles as the nation's smoggiest city, the air around Dallas-Fort Worth has been downgraded from moderate to serious status, and four other Texas cities are on the verge of violating federal health standards for air quality.<sup>15</sup>

Most recently, criticism has surrounded Bush's plan to regulate "grandfathered" industrial plants in Texas. When the Texas Legislature passed its Clean Air Act in 1971, any facility under construction or operating was exempted, or "grandfathered" from being covered by emission regulations. Public pressure and the recognition of the health crisis caused by pollution from these plants led to an attempt to take action in the mid-1990's. Bush superceded attempts to impose mandatory regulations by allowing the polluting industries to draft the proposal to regulate themselves using voluntary measures that will not reduce pollution enough for the state to meet federal ozone standards.<sup>16</sup> Bush also opposes ratification of the Kyoto Protocol.

**Steve Forbes** does not have a voting or executive record on the environment, but his statements indicate a position favoring industry over a clean environment. In his book *A New Birth of Freedom*, Forbes says "we all want a cleaner environment for ourselves and our children. But we need not sacrifice our freedoms or economic prosperity to get there." He also criticizes the Clean Air Act regulations placed on industry requiring them to reduce polluting emissions and questions whether global warming is happening.<sup>17</sup>

Also on the Republican side, Senator **John McCain** has a lifetime average score of 20 out of 100 from the League of Conservation Voters (LCV), and Senator **Orrin Hatch** received an average score of 12 during his tenure in Congress.<sup>18</sup> **Gary Bauer**, who also has no voting record on this issue has indicated a pro-industry, anti-environment position.<sup>19</sup>

Democratic candidate Vice President **Al Gore** is considered by many to be a strong pro-environment candidate and has advocated for ratification of the Kyoto protocol and cleaner cars. However, Gore's average lifetime score with LCV is 64. Senator **Bill Bradley** also supports ratification of the Kyoto Protocol and has the highest presidential candidate lifetime average LCV score, coming in at 84.<sup>20</sup>

## Conclusion

Despite the clear public benefit to more stringent air quality standards, a battle is being waged in Washington to block steps to clean up our air. Fearing further regulation that might impact profits, targeted polluting industries are responding with campaign contributions and lobbying to ensure their position is heard loud and clear by policy-makers in Washington.

Members of the trade organizations representing the countries largest polluters have contributed \$658,389 directly to presidential campaigns and almost \$3 million more to the parties. These industries have made a clear choice in who they want to be the next President of the United States: George W. Bush. They hope Bush's pro-industry record in Texas will continue in the Oval Office. While they are hedging their bets on Bush, they have not entirely ignored the other candidates and have made smaller donations to the campaigns of Bauer, Bradley, Gore, Hatch and McCain to ensure they have access to whomever resides in the White House in 2001.

As long as candidates for public office have to rely on private contributions from wealthy special interests to fund their campaigns, these special interests will continue to garner undue influence with our elected officials. Whether a candidate is taking money from electric utilities and making promises to continue to allow old power plants to pollute excessively, or the electric utility is throwing money toward a candidate who has already stated a pro-industry position, the voters lose.

Campaign contributions by polluters, so heavily favoring one candidate, increases that candidate's chances of doing well in this election. According to a recent Gallup poll, 67% of Americans think "protecting the environment should be given priority, even at the risk of curbing economic growth."<sup>21</sup> Yet the current presidential front-runner clearly disagrees with the majority of Americans on this issue. Politicians representing special interests over voters' interests will continue until we pass comprehensive campaign finance reform at the federal level that:

- restores the principle of "one person, one vote" to elections;
- cuts the influence of special interest money on candidates, elections and lawmaking;
- frees candidates from the money chase so they can concentrate on issues and constituents;
- gives all qualified people an equal opportunity to run for office; and
- reduces the escalating cost of running for office.



## **Methodology and Information Sources**

Special thanks to Angie Farleigh of US PIRG, Steve Blackledge of New Hampshire PIRG and Jan Pendlebury of New Hampshire Citizens Alliance for their assistance with this report. Thanks also to Micah Sifry, and Sam Mekrut for their editing assistance

### ***Data Sources***

- Individual campaign contribution data from January 1-June 30, 1999 were downloaded from [www.opensecrets.org](http://www.opensecrets.org), the web site of the Center for Responsive Politics (CRP). CRP is a non-partisan, non-profit research group based in Washington, DC that uses data from the Federal Elections Commission to track money in politics, and its effect on elections and public policy. CRP conducts computer-based research on campaign finance issues for the news media, academics, activists, and the public at large. CRP's work is aimed at creating a more educated voter, an involved citizenry, and a more responsive government. CRP can be reached at: 1320 19th Street, NW Suite 620, Washington, DC 20036, phone (202) 857-0044, fax (202) 857-7809, web site: [www.opensecrets.org](http://www.opensecrets.org)
- Individual campaign contribution from July 1, 1999-September 30, 1999 were downloaded from Public Disclosure, Inc. Public Disclosure is a non-partisan Federal candidate campaign money page that specializes in making government documents public and easy to access via the World Wide Web. Public Disclosure gets its data from records filed with the Federal Elections Commission. Their web site address is [www.tray.com/fecinfo/](http://www.tray.com/fecinfo/)
- Soft Money and PAC data for 1999 came from Public Disclosure, Inc.

### ***Further Sources of Information on Air Pollution:***

- US PIRG: 218 D Street, SE, Washington, DC 20003, phone: (202) 546-9707, web site: [www.pirg.org](http://www.pirg.org),
- Environmental Working Group: 1718 Connecticut Avenue, NW, Suite 600, Washington, DC 20009, phone: (202) 667-6982, web site: [www.ewg.org](http://www.ewg.org).
- Union of Concerned Scientists: 2 Brattle Square, Cambridge, MA 02238-9105, phone: 617-547-5552, web site: [www.ucsusa.org](http://www.ucsusa.org).
- National Environmental Trust: 1200 18<sup>th</sup> Street, NW Fifth Floor, Washington, DC 20036, phone: (202) 887-8880, web site: [www.hotearth.net](http://www.hotearth.net).
- Clean Air Trust: 1625 K Street, NW #790, Washington, DC 20006, phone: (202) 785-9625, web site: [www.cleanairtrust.org](http://www.cleanairtrust.org).
- League of Conservation Voters: 1707 L Street, NW, Suite 750, Washington, DC 20036, phone: (202) 785-8683, web site: [www.lcv.org](http://www.lcv.org).
- Environmental Protection Agency: *National Air Quality and Emissions Trends Report, 1997*, [www.epa.gov/airprogrm/oar/aqtrnd97/](http://www.epa.gov/airprogrm/oar/aqtrnd97/).

### ***Information on Texas Environmental Issues***

- TomPaine.commonsense: A Journal of Opinion, [www.tompaine.com](http://www.tompaine.com).
- Public Research Works: 611 South Congress, Suite 150, Austin, TX 78704, phone (512) 326-5922.
- Texas Public Employers for Environmental Responsibility: PO Box 684753, Austin, TX 78768-4753, phone: (512) 441-4941, web site: [www.txpeer.org](http://www.txpeer.org).
- Texas Campaign for the Environment: 611 South Congress, Suite 150, Austin, TX 78704, phone: (512) 326-5655, web site: [www.austin360.com/community/groups/tce/index.html](http://www.austin360.com/community/groups/tce/index.html).
- Texans for Public Justice: 609 West 18<sup>th</sup> Street, Suite E, Austin, TX 78701, phone: (512) 472-9770, web site: [www.tpj.org](http://www.tpj.org).

## Appendix 1

Air Pollution—description of type, impacts and sources. Compiled from information collected by the Clean Air Trust

| Type of Pollution                                                                                                                                                                                           | Impact                                                                                                                                                                                                                                                                                                                             | Source                                                                                                                                                                                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Acid Rain- formed when emissions of sulfur dioxide and nitrogen oxides react in the atmosphere with water, oxygen and oxidants to form various acidic compounds.                                            | <ul style="list-style-type: none"> <li>• Acidifies lakes and streams.</li> <li>• contributes to damage of trees at high elevations.</li> <li>• Accelerates the decay of paints and buildings.</li> </ul>                                                                                                                           | Electric power plants—70% of sulfur dioxide emissions, 30% of nitrogen oxides emissions. Cars trucks and buses are also major sources of nitrogen oxides.                                           |
| Toxics-188 toxic contaminants including benzene, mercury, dioxin, asbestos, cadmium, toluene and chromium.                                                                                                  | <ul style="list-style-type: none"> <li>• Linked to serious health problems such as cancer, birth defects, nervous system damage</li> </ul>                                                                                                                                                                                         | Emitted by cars, buses, trucks and a variety of industrial sources including electric power plants.                                                                                                 |
| Carbon Monoxide                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>• Reduces oxygen delivery to the body's organs and tissues.</li> </ul>                                                                                                                                                                                                                      | Motor vehicles produce about 60% nationwide. Other sources include industrial processes, non-transportation fuel combustion and wildfires.                                                          |
| Lead                                                                                                                                                                                                        | <ul style="list-style-type: none"> <li>• Harms the kidneys, liver, nervous system and other organs. It may cause neurological impairments and heart disease.</li> </ul>                                                                                                                                                            | Metal processing is the biggest source of atmospheric lead.                                                                                                                                         |
| Nitrogen Dioxide                                                                                                                                                                                            | <ul style="list-style-type: none"> <li>• Short-term exposure is linked to respiratory illness in young children and people with existing respiratory illnesses.</li> <li>• Long term exposure may cause decreased respiratory function and infection.</li> <li>• Major contributor to acid rain and ground level ozone.</li> </ul> | Cars, trucks and electric power plants are the dominant sources.                                                                                                                                    |
| Low-level ozone (aka smog)-Most widespread air pollutant. Ozone is formed by the reaction of volatile organic compounds (VOCs) and nitrogen oxides (NOx) in the presence of heat and sunlight.              | <ul style="list-style-type: none"> <li>• Respiratory irritant that causes decreased lung function, and has been linked to increased hospital admissions for asthma and other respiratory problems.</li> </ul>                                                                                                                      | VOCs come from motor vehicles, chemical plants, refineries and other factories. NOx comes from motor vehicles, electric power plants and other combustion sources.                                  |
| Particulate Matter (aka soot)-Solid particles and liquid droplets in the air. Some are large enough to be seen (PM 10), while others are less than 2.5 micrometers in diameter and cannot be seen (PM 2.5). | <ul style="list-style-type: none"> <li>• Aggravates asthma, decreases lung function and causes other respiratory problems.</li> <li>• A major cause of reduced visibility and can also damage paint and building materials.</li> </ul>                                                                                             | Most PM 2.5 comes from motor vehicles, coal-burning electric power plants, and factories. PM 10 comes from windblown dust vehicles traveling on unpaved roads and crushing and grinding operations. |
| Sulfur Dioxide                                                                                                                                                                                              | <ul style="list-style-type: none"> <li>• High concentrations can cause breathing problems with asthmatics, and long term exposure can cause respiratory illness.</li> <li>• Major contributor to acid rain and particulate soot.</li> </ul>                                                                                        | Combustion of coal and oil containing sulfur. Also produced during metal smelting and other industrial processes.                                                                                   |

## Appendix 2

Hard money contributions to each candidate from members of the Edison Electric Institute, the American Petroleum Institute and the Alliance of Auto Manufacturers.

| Candidate | EEL          | API          | AAM         | Total        |
|-----------|--------------|--------------|-------------|--------------|
| Bauer     | \$3,250.00   | \$3,325.00   | \$5,575.00  | \$12,150.00  |
| Bradley   | \$7,250.00   | \$11,450.00  | \$2,250.00  | \$20,950.00  |
| Bush      | \$268,589.00 | \$222,425.00 | \$30,700.00 | \$521,714.00 |
| Forbes    | \$0.00       | \$0.00       | \$0.00      | \$0.00       |
| Gore      | \$11,950.00  | \$35,250.00  | \$8,825.00  | \$56,025.00  |
| Hatch     | \$2,000.00   | \$11,000.00  | \$8,000.00  | \$21,000.00  |
| McCain    | \$13,750.00  | \$10,650.00  | \$2,150.00  | \$26,550.00  |
| Total     | \$306,789.00 | \$294,100.00 | \$57,500.00 | \$658,389.00 |

### Appendix 3

Soft Money contributions from members of the Edison Electric Institute, the American Petroleum Institute and the Alliance of Auto Manufacturers.

| Trade Group                    | Soft Money to Republicans | Soft Money to Democrats | Total Soft Money |
|--------------------------------|---------------------------|-------------------------|------------------|
| Edison Electric Institute      | \$879,008.00              | \$295,000.00            | \$1,174,008.00   |
| American Petroleum Institute   | \$1,165,979.00            | \$393,250.00            | \$1,559,229.00   |
| Alliance of Auto Manufacturers | \$68,100.00               | \$2,778.00              | \$70,878.00      |
| Total                          | \$2,113,087.00            | \$691,028.00            | \$2,804,115.00   |

### Endnotes

<sup>1</sup>"1997 National Air Quality Trends Brochure—Highlights," Environmental Protection Agency. [www.epa.gov/airprogrm/aor/aqtrnd97/brochure/highlts.html](http://www.epa.gov/airprogrm/aor/aqtrnd97/brochure/highlts.html).

<sup>2</sup>"Automakers Testify on EPA's Clean 'Autos and Fuel Rule'," E-Wire, [ens.lycos.com/e-wire/June99/08june9904.html](http://ens.lycos.com/e-wire/June99/08june9904.html).

<sup>3</sup>Edison Electric Institute web site: [www.eei.org](http://www.eei.org).

<sup>4</sup>American Petroleum Institute web site: [www.api.org](http://www.api.org).

<sup>5</sup>"Dirty Dollars, Dirty Air: The Auto and Oil Industries Continuing Campaign Against Air Pollution Control," by US PIRG, September 1999, [www.uspirg.org](http://www.uspirg.org), page 1.

<sup>6</sup>"Trust Welcomes AAA Call for Utility Cleanup, But Notes Vehicles are Still Big Pollution Problem," Clean Air Trust, 9/29/99, [www.cleanairtrust.org](http://www.cleanairtrust.org).

<sup>7</sup>ip. Cit., US PIRG, page 11.

<sup>8</sup>"Automakers Testify on EPA's Clean 'Autos and Fuel Rule,' E-Wire press release by the Alliance of Auto Manufacturers; [ens.lycos.com/e-wire/June99/08june9904.html](http://ens.lycos.com/e-wire/June99/08june9904.html).

<sup>9</sup>"The Clean Smokestacks Act Will Close the Grandfather Loophole and Force Power Plants to Clean Up Their Acts," National Environmental Trust, [www.envirottrust.com/field/wj\\_h\\_facts.html](http://www.envirottrust.com/field/wj_h_facts.html).

<sup>10</sup>EPA Sues 7 Utilities, Citing Violations, Orders TVA to Stop Alleged Practices," Wall Street Journal, November 4, 1999.

<sup>11</sup>U.S. Sues Electric Utilities in Unprecedented Action to Enforce the Clean Air Act", Environmental Protection Agency, November 3, 1999, [www.epa.gov](http://www.epa.gov).

<sup>12</sup>Legislation Watch: The Bulletin on Environmental Legislation," Natural Resources Defense Council, November 11, 1999, [www.nrdc.org](http://www.nrdc.org).

<sup>13</sup>op. cit., US PIRG, page 13.

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<sup>14</sup>"Toxic Texas: The Environmental Legacy of Governor George W. Bush," Texas Public Employees for Environmental Responsibility, [www.txpeer.org](http://www.txpeer.org).

<sup>15</sup>"Is He a Green Bush or a Brown Bush?" by David Case, [TomPaine.com](http://TomPaine.com), © Florence Fund, 1999.

<sup>16</sup>"Bush Approach to Pollution: Preference for Self-Policing," New York Times, November 9, 1999.

<sup>17</sup>Forbes, Steve, *A New Birth of Freedom*, ©1999, pages 125, 127.

<sup>18</sup>League of Conservation Voters, 1707 L Street, NW, Suite 750, Washington, DC 20036, phone: (202) 785-8683, [www.lcv.org](http://www.lcv.org). The National Environmental Scorecards issued by the League of Conservation Voters aim to "provide objective, factual information about the environmental voting records of all Members of Congress. The Scorecard represents the consensus of environmental experts who select the key votes on which Members of Congress should be graded."

<sup>19</sup>Bauer web site: [www.bauer2k.com](http://www.bauer2k.com).

<sup>20</sup>op. cit., League of Conservation Voters.

<sup>21</sup>"Environmental Concern Wanes In 1999 Earth Day Poll: Americans Still Care, but More Likely to See Progress," by Lydia Saad, Gallup News Service, April 22, 1999. Web site: [www.gallup.com](http://www.gallup.com).



# The Boston Globe

CLOAK MURK. ORANGE

Today: Mostly cloudy, 60s  
Tomorrow: Some sun, 50s  
High tide: 11:25 a.m.  
Full report: Page B2

WEDNESDAY, NOVEMBER 24, 1999

## Political Briefs

### Gore targets Bush on environment

**H**ONEY CREEK, Iowa - Vice President Al Gore criticized the influence of "big polluters" on his presidential race yesterday, singled out Texas Governor George W. Bush as a major offender. Gore trumpeted his plan to spend \$2 billion on conservation programs, but said, "We've been facing some real tough opposition" that's been expressed in campaign giving. "When you look at the influence of polluters, just to take one category, there was a study from a bipartisan reform group that came out yesterday that 85 percent of all that funding has gone to George Bush," Gore said. The Bush campaign rejected the charge. (AP)

# The Boston Globe

THURSDAY, NOVEMBER 18, 1999

## Political Briefs

### Energy firms' staff said to fund Bush

CONCORD, N.H. — Governor George W. Bush of Texas has received 79 percent of the money donated to presidential candidates by employees of oil, electric power, and automobile interests in the first nine months of the year, according to a report released yesterday by two citizens' groups. Bush received \$521,714 of the \$658,389 donated by workers of companies belonging to three trade organizations: the American Petroleum Institute; the Edison Electric Institute, which represents utilities and plant owners; and the Alliance of Auto Manufacturers, said the report by the New Hampshire Citizens Alliance and the Iowa Citizen Action Network Foundation, which supports changing campaign laws. The groups attributed support for Bush to his lead in polls and what they said was a subpar environmental record. (AP)

# The Citizen

## Industries are major donors to campaigns

Vol. 73, No. 275 Laconia, N.H.

THURSDAY, NOVEMBER 18, 1999

By GARRY RAYNO  
N.H. Statehouse Writer

CONCORD — Industries most affected by federal environmental regulations favor presidential candidate George W. Bush by 4-to-1 over the rest of the field, according to several environmental and consumer groups.

At a press conference held Wednesday to release a report on campaign contributions to presidential candidates from the petroleum industry, electric utilities and auto manufacturers, Anne Campbell of Money Watch 2000 said the industries have contributed \$3.46 million to the presidential candidates and the two parties.

"These special interests continue to garner undue influence with elected officials," she said.

The Bush campaign said rather than condemning the Texas governor, these groups ought to praise him for working with the owners of older power plants to reduce pollutants.

The report, Political Pollution, is the second from the group that promotes comprehensive campaign finance reform. The first report concerned contributions from the drug companies. Money Watch is a joint effort of New Hampshire Citizen Alliance and Iowa Citizen Action Network Education Foundation.

Much of the money documented in the new report is so-called soft money to the Republican and Democratic parties. Soft money was intended for such things as get-out-the-vote drives, but is now used for advertising campaigns that often target candidates from the other party.

Members of the Alliance of Auto Manufacturers, the Edison Electric Institute and the American Petroleum Institute contributed \$2.1 million in soft money to the Republican Party and \$691,000 to the Democratic Party.

The same groups contributed \$658,400 to all the presidential candidates with the exception of Republican Steve Forbes. Bush received \$521,700 to lead the field, and Vice President Al Gore was second in total contributions with \$56,000.

### ■ CAMPAIGN, From Page A1

Republican Sen. John McCain of Arizona received \$26,550; Republican Sen. Orrin Hatch of Utah, \$21,000; Democrat Bill Bradley, \$20,950; and Republican Gary Bauer, \$12,150.

"Clearly, these polluters want George W. Bush to be our next president," Campbell said, noting that Bush received such a disproportionate share of the contributions from the companies and their officials.

She attributed the large percentage of contributions to Bush to both his front-runner status and his environmental record as governor of Texas governor.

"This shows the problems with big money in politics and why we need campaign finance reform," Campbell said.

Bush campaign spokeswoman Mindy Tucker said. "If Gov. Bush is fortunate enough to be elected president, he'll make decisions based on

what's best for our country.

"These groups should applaud Gov. Bush for his environmental record in Texas," she said. She said he was the first Texas governor to launch a voluntary emissions reductions program for older utilities that aren't required to meet current standards for new plants, according to Tucker. That program reduced emissions by 250,000 tons a year, she said.

Steve Blackledge, program director for the New Hampshire Public Interest Research Group, said the next president will decide who will head the Federal Environmental Protection Agency.

He said the industries are giving heavily to Bush in hopes that, if elected, he will resist tougher pollution standards being proposed by the Environmental Protection Agency.

"If he is elected, these special interests will have special access to the next president," Blackledge said.



# The Telegraph

TODAY'S FORECAST



Mostly sunny,  
highs around 50  
Full report,  
Page 58.

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Thursday, November 18, 1999

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10 THE TELEGRAPH Thursday, November 18, 1999

## PRIMARY 2000

### ► CONCORD

# Report shows 'political polluters' betting on Bush

■ GOP candidate received more than \$500,000 from pollution-generating firms.

By KEVIN LANDRIGAN  
Telegraph Staff

CONCORD - Texas Gov. George W. Bush is far and away the most popular presidential candidate among chemical and auto companies and utilities that produce the most pollution, according to a public interest group's study released Wednesday.

The New Hampshire Citizen Alliance found Bush got \$521,714 in individual donations - or 79 percent of the money given to candidates - from executives with the American Petroleum Institute, the Edison Electric Institute and the Alliance of Auto Manufacturers.

Democratic Vice President Al Gore came in second with \$56,025, or about one-tenth of what Bush received.

"They have given to all major

candidates except for Steve Forbes, but it is clear they have placed their bets on Bush," said Anne Campbell, executive director of Money Watch 2000, a joint project of the New Hampshire Citizens Alliance and Iowa Citizen Action Education Foundation.

Study author Tris Newbury said it's both Bush's status as a front-runner and his record as governor of Texas that made him the most popular candidate among these industries.

"He is the front-runner and they want access to him, but he also has a record in Texas which most environmental groups would say is not very good," Newbury said.

These industries also favored the Republican National Committee over its Democratic counterpart by a margin of more than 2 to 1 in their unlimited soft money donations, giving \$2.1 million to the GOP and \$691,028 to the Democrats.

The report, titled "Political Polluters," looked at donations given during the first nine months of

the year.

Bush press secretary Mindy Tucker defended Bush's record on the environment.

"If Governor Bush is fortunate enough to be elected president, he'll make decisions based on what is best for our country. These groups should be applauding his environmental record in Texas. He's the first Texas governor to launch a voluntary program for grandfathered utilities. Under his efforts, Texas has reduced emissions by 250,000 tons each year," Tucker said.

"Under his watch, Texas is the third state in the nation to require both reduction and permits by grandfathered facilities."

Bush has received criticism from environmental groups in Texas for legislation that would have exempted or "grandfathered" old power plants from having to comply with the federal Clean Air Act.

They claim Bush invited polluters to write the proposed legislation in concert with his Texas Natural Resources Conservation Commission,

which they said is stacked with utility-friendly members.

The Texas Legislature rejected Bush's proposed bill and made it tougher, forcing compliance on one-third of the "grandfathered" plants that Bush wanted to exempt.

And while Texas has a state law that bans candidates from accepting political donations while the Legislature is in session, this did not prevent Bush from raising most of his presidential campaign money from these industries during that time.

The New York Times recently reported that at least nine of Bush's "pioneers" - who have agreed to raise \$100,000 each - are executives with companies that create pollution.

Bush has acknowledged that global warming is a problem, but he op-



BUSH

posed the Kyoto Protocol that calls on companies worldwide to reduce their emissions and nations to adopt tougher environmental regulations to prevent global warming from getting worse.

The report released Wednesday also found that Bush got nearly \$100,000 of his donations from five companies that bundled donations on the same day. They were led by FirstEnergy, which gave Bush \$45,500 on Aug. 18.

Steve Blackledge, program director for the New Hampshire Public Interest Research Group, said he hopes the next president will support the campaign against global warming by vetoing any effort to block automakers from having to improve mileage standards.

"Political Polluters" shows the link between dirty dollars and dirty air. We need our next president, and all elected officials, to ignore the big contributions from special interests and instead to support efforts to reduce air pollution and to support campaign finance reform," Blackledge said.

### CONTRIBUTION LIST

Here is a list of contributions from presidential candidates from major pollution-generating companies and utilities, based on a report released Wednesday by the New Hampshire Citizen Alliance:

- Bush: \$521,714.
- Gore: \$56,025.
- McCain: \$26,550.
- Hatch: \$21,000.
- Bradley: \$20,950.
- Bauer: \$12,150.
- Forbes: \$0.

Former U.S. Sen. Bill Bradley of New Jersey had the highest rate from the League of Conservation Voters of any presidential candidate, a lifetime score of 84 percent. Gore's score is 64 percent, while U.S. Sen. John McCain of Arizona is at 20 percent and U.S. Sen. Orrin Hatch of Utah is at 12 percent.

□□□

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- Daniel Webster

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New Hampshire's Daily Newspaper

# The Union Leader



Thursday, November 18, 1999

96 Pages

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C2 Thursday, November 18, 1999

NEW HAMPSHIRE / POLITICS

The Union Leader, Manchester, N.H.

## Special interests betting on Bush, study says

By JOHN TOOLE  
State House Bureau

**CONCORD** — Auto, oil and electric company interests are trying to buy influence at the White House through campaign contributions to Presidential candidates, a coalition of Iowa and New Hampshire watchdog groups charged yesterday in a new report.

Texas Gov. George W. Bush is receiving the bulk of their contributions — \$521,714 — nearly four times the combined totals of the other candidates, the study concluded.

"It is clear they have placed their bets on George W. Bush with 79 percent of their money," said Anne Campbell, campaign manager for the Money Watch 2000 project.

A joint effort of New Hampshire Citizens Alliance and the Iowa Citizen Action Network Education Foundation, the project's goal is "to educate the public about problems posed by big money in politics and the need for comprehensive reform," Campbell said.

The report, "Political Pollution," showed that most major candidates — Steve Forbes was noted

as an exception — were getting money from the special interests.

The watchdog groups charge that the donors want a say in environmental policy decisions after the election.

The report is the second in a series looking at top issues in the campaign and the "vested interests" tied to the debate.

"As long as candidates for President have to rely on private contributions from wealthy special interests to fund their campaigns, these special interests will continue to garner undue influence with our elected officials," Campbell said.

The report analyzed contributions made during the first nine months of the year by members of auto, oil and electric industry trade groups, or their spouses, to the candidates.

Bush led Republicans, followed by U.S. Sen. John McCain of Arizona, \$26,550; U.S. Sen. Orrin Hatch of Utah, \$21,000; and former Reagan administration aide Gary Bauer, \$12,150.

Vice President Al Gore topped the Democrats but was far behind Bush at \$56,025. Former U.S. Sen. Bill Bradley of New Jersey received \$20,950.

"All major candidates are receiving some money with the exception of Steve Forbes, mostly because he's self-financing his campaign," said Beatrice F. Newbury, who wrote the report.

Newbury speculated the donations to Bush recognize both his standing in the polls and his environmental record as governor.

"He, obviously, in every poll I've seen, is the frontrunner, both for the Republican Party and potentially for the election. And a lot of special interests will back the frontrunner," Newbury said.

"However, from the research I did, he has a record in Texas that most environmental groups would say is not good. So we think their contributions to him also reflect his record in Texas," she said.

"Regardless of why they are giving George W. Bush money ... the point of concern is, if he's elected, these special interests will have access and influence with the next President of the United States, whether it's George Bush or any other candidate," said Steve Blackledge, program director for the New Hampshire Public Interest Research Group.

"If Gov. Bush is fortunate enough to be elected

President, he'll make decisions based on what's best for the country," Bush spokesman Mino Tucker responded.

"These groups should applaud Gov. Bush for his environmental record in Texas," Tucker said, pointing to Bush initiatives aimed at limiting power plant emissions.

"The big polluters clearly want George Bush at the White House," said Doug Hattaway, a spokesman for the Gore campaign.

"Al Gore would be their worst nightmare," Hattaway said. "Gore has a long record of fighting polluters and helped write the federal law that makes them clean up their messes."

One of the participants in yesterday's press conference highlighting the report was dressed as a dollar-covered smokestack.

The watchdog groups have already reported contributions from people with ties to pharmaceutical companies.

Three or four more reports are expected before the Feb. 1 Presidential primary.

## CONCORD



## MONITOR

Thursday, November 18, 1999

Concord, New Hampshire

50¢

# Group: Worst air polluters giving to Bush

By ALEC MacGILLIS  
Monitor staff

The industries that rank among the nation's worst air polluters are stoking Gov. George W. Bush's presidential campaign, a local watchdog group said yesterday.

New Hampshire Citizens Alliance compiled a report on presidential campaign contributions from electric utilities, petroleum companies and car manufacturers. The burning of fossil

fuels by cars and power plants is the leading cause of air pollution.

The study found the three industries are overwhelmingly favoring Bush: By the end of the last filing period, he had received 79 percent of their direct donations, the group said.

As of Sept. 30, members of the Alliance of Auto Manufacturers, the Edison Electric Institute and the American Petroleum Institute - the

■ See **CQ**TRIBUTE - Page A-12

## CONTRIBUTE

Continued from Page A-1

leading trade groups in the industries - had given \$658,389 in individual donations to candidates, the study found.

The trade groups also gave about \$2.8 million to political parties - "soft money" - favoring the Republican Party by a ratio of almost 2-1, according to the study.

Bush received \$521,714 of the individual contributions, which consisted mainly of gifts from employees and officers of the companies. Many of the donations came in "bundles" - pooled contributions from members of one company - including a \$45,500 clump from FirstEnergy in August.

Bush's tally from the trio of industries is but a fraction of the \$60 million he has collected in total. According to the study's authors, though, it's the disproportion in the industries' donations that is most significant.

The companies' preference for Bush has two likely explanations, study author Tris Newbury said: It is both an acknowledgment that Bush is leading in the polls and a recognition of Bush's business-friendly environmental record in Texas.

"It is clear they've placed their bets on George Bush," said Anne Campbell of Citizens Alliance.

The report underscores what is likely to become a major issue in the general election should Bush become his party's nominee: Al Gore, for one, has already started attacking Bush's record on the environment, contrasting it with his own fight against global warming, which scientists say is caused by air pollution.

Gore is a distant runner-up to Bush when it comes to donations from the three industries, with a total of \$56,025. Steve Forbes, who is paying for his own campaign, was the only candidate without any donations from the industries.

During Bush's tenure as governor, Houston surpassed Los Angeles as the smoggiest city in the country. Environmentalists have criticized Bush for letting industry leaders in Texas devise their own plan for reducing pollution in the state, rather than imposing regula-

tions upon them.

According to Steve Blackledge of New Hampshire Public Interest Research Group, the next president will be faced with challenges on an even larger scale on the air pollution front. The federal Environmental Protection Agency is expected to finalize tougher pollution standards for cars and gasoline within the next year; how strictly those standards are enforced, he said, will depend on who is in the White House.

The report, Blackledge said, "shows the link between dirty dollars and dirty air. We need our next president, and all elected officials, to ignore big contributions from special interests and instead to support efforts to reduce air pollution."

Asked about the study, Bush's campaign denied the industry donations would unduly influence Bush.



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NOVEMBER 17, 22:31 EST

## Report: Air Polluters Backing Bush

By GENE JOHNSON

Associated Press Writer

CONCORD, N.H. (AP) — Texas Gov. George W. Bush has received 79 percent of the money donated to presidential candidates by employees of oil, electric power and automobile interests during the first nine months of the year, said a report Wednesday by two citizens' groups.

Bush received \$521,714 of the \$658,389 donated by workers of companies belonging to three trade organizations: the American Petroleum Institute; the Edison Electric Institute, which represents electric utilities and power plant owners; and the Alliance of Auto Manufacturers, said the report by the New Hampshire Citizens Alliance, a nonprofit watchdog group concerned with education, campaign finance laws and the environment, and the Iowa Citizen Action Network Foundation, which supports changing campaign finance laws.

The groups attributed support for the two-term Texas governor to his lead in public opinion polls and what they described as his sub-par environmental record.

“He has a record in Texas that most environmental groups would say is not very good,” said Tris Newbury, author of the report, “Political Pollution.”

Newbury calculated the totals by examining individual campaign contributions, which require donors to list their employers.

Bush's campaign did not immediately return a telephone call Wednesday for comment. Campaign spokeswoman Mindy Tucker previously has responded to criticism of Bush's environmental record by saying that Texas has seen a 10 percent reduction in industrial pollution and leads the nation in reducing the release and disposal of toxic waste since he became governor.

All major candidates except Republican Steve Forbes took money from these employees. Vice President Al Gore, who is seeking the Democratic presidential nomination, received the second-highest total, \$56,025, about one-tenth of Bush's total.

Republican Arizona Sen. John McCain received \$26,550; Republican Utah Sen. Orrin Hatch, \$21,000; Democrat Bill Bradley, \$20,950; and Republican Gary Bauer, \$12,150.

Steve Blackledge, program director for New Hampshire Public Interest



Research Group, said the industries are giving heavily to Bush in hopes that, if elected, he will resist tougher pollution standards being proposed by the U.S. Environmental Protection Agency.

``If he is elected, these special interests will have special access to the next president," Blackledge said.

Since Bush became governor in 1995, Houston has surpassed Los Angeles as the country's smoggiest city, according to the 1999 U.S. Environmental Protection Agency Toxic Release Inventory Report. Four other Texas cities are on the verge of violating federal air quality standards.

Environmental groups also have criticized Bush's plan to regulate Texas industrial plants that are too old to be covered by the state's 1971 Clean Air Act. State regulators had been considering mandatory restrictions, but Bush intervened and asked industry leaders to draft their own, voluntary standards.

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## **USAction**

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Email: [cff@cffuture.org](mailto:cff@cffuture.org)

### **WHAT IS USAction?**

USAction is a new, national, progressive, grassroots organization. We are dedicated to strengthening progressive political power to win social, racial, economic and environmental justice for all.

USAction was founded by 300 delegates from 38 states at its November, 1999, convention in Chicago. Thirty-nine organizations have already either affiliated with or are in the process of affiliating with USAction. Most USAction affiliates are statewide, multi-issue organizations. AFSCME, SEIU and the US Student Association are also members.

USAction's initial program priorities are:

1. The Campaign for Social and Health Security, which advocates for quality, affordable health care for all Americans, and for the defense and strengthening of Social Security.
2. A campaign for quality public education for every American student.
3. A program to help the affiliates to be stronger, broader, deeper organizations that can wield progressive power on all their concerns.

USAction has an Executive Committee composed of six officers, three committee chairs and two constituency representatives. They are:

- President: William McNary, Citizen Action of IL legislative director
- Secretary-Treasurer: Marti Rosenberg, RI, Ocean State Action executive director, Northeast Action board member
- Vice-presidents:
  - Heather Booth, DC, Midwest Academy board chair, Project Amos consultant
  - Deana Knutsen, Washington Citizen Action board president and Northwest Federation of Community Organizations board chair
  - Randall Merritt, Georgia Rural Urban Summit field director, Democracy South board member
  - Luis Wilmot, Texas Citizen Action board member and former regional counsel for MALDEF
- Larry Marx, Fundraising Committee chair; WI Citizen Action executive director
- Richard Kirsch, Membership and Affiliation Committee chair; Citizen Action of NY executive director, Northeast Action board member
- Lauren Townsend, Program Committee chair; PA, Citizens for Consumer Justice executive director
- George Fence, OR Action and NWFCO board member, representing our representative population councils
- Anna Burger, DC, SEIU Eastern Region Vice-president, representing national organizations

USAction's Executive Director is Jeff Blum; Field Director is Wendy Ray.

# **PENNSYLVANIA CAMPAIGN FOR SOCIAL AND HEALTH SECURITY**



**CITIZENS FOR  
CONSUMER JUSTICE**

# Coalition Members

## Pennsylvania Campaign for Social and Health Security

|                                         |                                          |
|-----------------------------------------|------------------------------------------|
| 1199                                    | National Coalition of Mental Health      |
| ACORN                                   | Professionals and Consumers, Inc.        |
| Action Alliance of Senior Citizens      | National Hispanic Council on Aging       |
| AFL-CIO Pennsylvania                    | National Workplace Injury Litigation     |
| AFSCME District Council 47              | Group                                    |
| AFSCME DC 47 Retirees Chapter           | Northeast Pennsylvania Center for        |
| Allegheny County Labor Council          | Independent Living                       |
| Americans for Democratic Action Western | Peace Action Delaware County             |
| Pennsylvania Chapter                    | Pennsylvania Council of Churches         |
| Autism Society of Pennsylvania          | Pennsylvania Federation of Injured       |
| Brain Injury Association of Eastern     | Workers                                  |
| Pennsylvania                            | Pennsylvania Mental Health Consumers     |
| Center for Disability Law and Politics  | Association                              |
| Citizens for Consumer Justice           | Pennsylvania State Council of Senior     |
| Community Progress Council              | Citizens                                 |
| Consumers Education and Protective      | Pennsylvania State Nurses Association    |
| Association                             | Philadelphia AIDS Coalition              |
| DES Action                              | Philadelphia Chapter of the National     |
| Eastern Paralyzed Veterans Association  | Caucus and Center on Black Aged          |
| Gray Panthers                           | Philadelphia Coalition of Labor Union    |
| Health Professionals and Allied         | Women                                    |
| Employees                               | Philadelphia Corporation for Aging       |
| Jewish Labor Committee                  | Philadelphia Council AFL-CIO             |
| Just Harvest                            | Philadelphia Unemployment Project        |
| Liberty Resources Incorporated          | Planned Parenthood Pennsylvania          |
| Maternity Care Coalition                | Rainbow Kitchen Community Services       |
| Mayors Commission on Services to the    | SEIU, Pennsylvania State Council         |
| Aging                                   | Salud Hispana                            |
| Mental Health Aging and Advocacy        | Spanish Community Association of         |
| Project                                 | Central Pennsylvania                     |
| Mental Health Association of            | The Arc of Pennsylvania                  |
| Pennsylvania                            | The People's Medical Society             |
| Mental Health Association of            | Three Rivers Center for Independent      |
| Southeastern Pennsylvania               | Living                                   |
| Montgomery County Commission on         | United Methodist Witness in Pennsylvania |
| Women and Families                      | United Nurses of Pennsylvania            |
| MonValley Unemployed Committee          | Urban League of Lancaster County Inc.    |
|                                         | Urban League of Pittsburgh               |

**The Times Leader** ONLINE

## Steep rise in drug prices sparks concern

November 25, 1999

**By M. PAUL JACKSON**  
*Times Leader Staff Writer*

**WILKES-BARRE** -- Frank Eisenstein knows how much health care can cost these days.

Awake at 5:30 a.m., after a few morning chores, he's off to visit his wife at the Meadows Nursing Home in Dallas.

Between his wife's care -- several thousand per month -- and the \$1,300 he spends annually in prescription medications for himself, Eisenstein's costs exceed what most seniors pay.

But three weeks ago, even he was shocked.

The cost of probenecid, the medication Eisenstein has been taking for three decades to control gout, jumped from \$21 to \$70 -- a 230 percent increase -- during a six-month period.

When the new price was quoted over the phone, "I said, 'you must be kidding me,'" said Eisenstein, 86. "How can an old medication go up?"

It's a question that's being asked by a growing number of cash-strapped seniors, who are beginning to fight what they perceive as price-gouging on the part of drug manufacturers.

According to the state Department of Aging, sales of prescription medications jumped 112 percent nationally during a five-year period.

Nationally, about \$121 billion was spent on medications in 1998, compared to \$57 billion in 1993.

And most of the costs go to medication for the elderly. Seniors represent only 12 percent of the population, but they pay about 43 percent of the nation's drug costs, according to the Department of Aging.

Seniors "buy the most expensive drugs," said Tom Snedden, a department spokesman.



LeaderNet Photo/FRED ADAMS

**Frank Eisenstein, 86, holds his prescription drug that has increased 230 percent.**





wholesale price of an anti-anxiety medication, clorazepate, from \$11.36 to about \$377 per 500-pill bottle in January 1998.

At the Kingston pharmacy, probenecid sells for \$59 -- up from \$37.80 six months ago, Greco said.

"You can take basically any drug today that's available by prescription and find a therapeutic equivalent in the marketplace," Snedden said. "There's a measurable price difference between the two."

Zenith officials were unavailable for comment.

Meanwhile, seniors like Eisenstein are paying more and more to get their medications.

Eisenstein, a former counterintelligence agent for the U.S. Army, has been taking probenecid daily for nearly 36 years.

The anti-gout medication is just one of a number of prescription medications he takes. He estimated he spends between \$1,300 and \$1,400 a year on medications, slightly more than the \$1,000 per year spent by the typical senior.

"I'm on so many medications it's not funny," he said.

And while he has a prescription drug plan -- his insurance pays for about \$500 of his prescription costs --the rapid price hikes have gone too far, he said.

"When people get gouged like this, they should report it," he said. "I think it's an utter disgrace that this should be allowed."

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**At the news conference** to back managed-care reform are (from left) U.S. Reps. Robert Borski, Chaka Fattah and Joseph Hoeffel; Joseph Rauscher, head of the Philadelphia AFL-CIO; U.S. Reps. Robert Brady and Ron Klink; and labor leader Henry Nicholas.



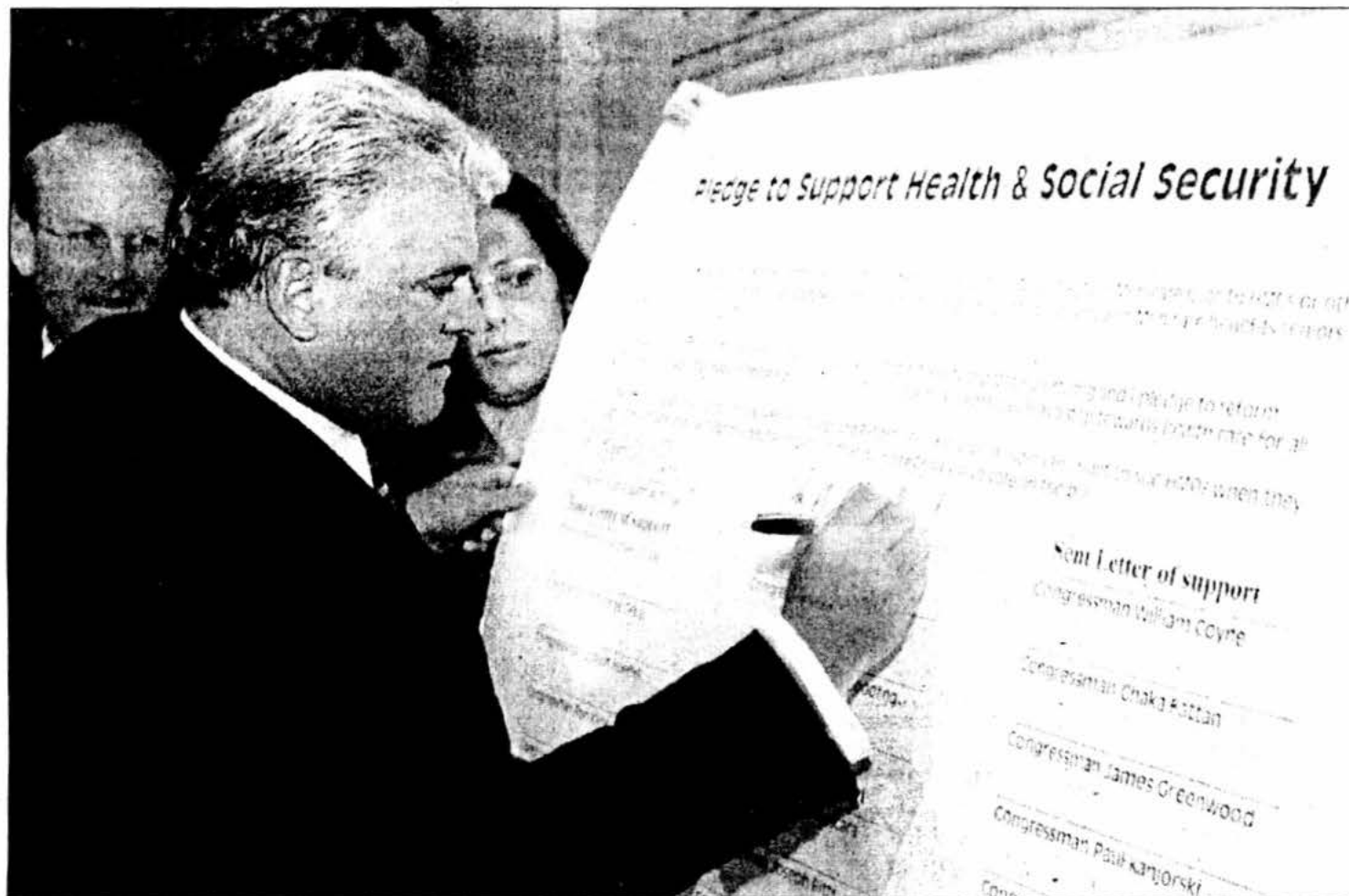
ERIC MENCHER / Inquirer Staff Photographer

**Listening** are Betty Flanagan (in white hat), president of District Council 47 retirees, and Jeanne Boone (right), of the Action Alliance of Senior Citizens of Greater Philadelphia, who later spoke.

## United in their pledge to secure a healthy future

Gathered together at 30th Street Station, the activists and the congressmen were of one mind. At a news conference yesterday, five legislators and members of the Pennsylvania Campaign for Social and Health Security, a coalition of about 50 organizations, made a public commitment to oppose plans to privatize Social Security or to turn Medicare over to HMOs, and to support real managed-care reform, including a strong patients' bill of rights.

# Pols ink pledge for health care



Rep. Robert A. Brady signs a pledge presented by the Citizens for Consumer Justice to oppose plans to privatize Social Security and support managed care reform, including the right of patients to sue for denied care. Behind Brady is Rep. Joe Hoeffel (left), who also signed the pledge at the 30th Street Station yesterday.

ALAN BRIAN NILSEN/ FOR THE DAILY NEWS

## ONE OF US

**His photos  
will be star  
of exhibit**



ALEJANDRO A. ALVAREZ/ DAILY NEWS

### THOMAS B. MORTON

**Age:** 53.

**Family:** Single.

**Lives:** West Philadelphia.

**Background:** Raised West Philly and Germantown. Degrees in graphic arts and contemporary Spanish-American literature. Fluent in Spanish and Portuguese.

**Overseas:** Five years in Peace Corps in Panama and Dominican Republic. *Left: Morton for Human Rights*



# KANE COUNTY CHRONICLE

\$1 #1 SELLING DAILY NEWSPAPER IN CENTRAL KANE COUNTY — SINCE 1881

November 13-14, 1999

## Activists seek cut in prescription drug prices

### More than 200 hold protest outside Hastert's district office

By MARK FOSTER

*Kane County Chronicle*

BATAVIA — More than 200 activists from across the nation rallied outside U.S. House Speaker Dennis Hastert's Batavia district office Friday, demanding legislation to cut prescription drug prices for Medicare patients.

They brought thousands of empty prescription drug bottles, and dumped them at the door to the speaker's office at 27 N. River St.

The demonstrators charged that Hastert is standing in the way of legislation that would provide seniors with coverage for prescription drugs, and is putting the interests of big pharmaceutical companies ahead of ordinary people.

The group rallied under the banner of US Action, and other activist organizations, including Illinois Action and Metro Seniors.

US Action is "a newly launched nationwide grassroots organization fighting for social, economic, racial and environmental justice."

John Cameron of Illinois Action, leader of the rally, charged that House Republicans killed legislation in committee to cut prescription prices for Medicare patients, and that Hastert this month used his power as speaker to prevent a floor debate on the issue.

Cameron said that senior citizens pay an average of \$525 per month out-of-pocket for medical costs.

"We need for the Speaker of the House to stop speaking for the drug companies and start speaking for us," Cameron said.

Illinois Action rallied in front of Hastert's office on the same issue about two months ago. Cameron said Hastert has refused to meet with his group.

Inside the office, Hastert press secretary John McGovern said the speaker was not in the office, and that the district staff would not meet with the protest leaders.

"They want universal entitlement, and that would bust the budget," McGovern said.

"Under President Clinton's plan, we

would have to either raise taxes or cut Medicare benefits," McGovern added.

McGovern noted that he met with the group's leaders the last time they made their protest.

Outside, the demonstrators chanted slogans like "No health care, no peace!" and held placards aloft.

They cheered as their leaders, from states including Maine, Mississippi, Arizona and Minnesota, made speeches.

"We have people who have to make a choice whether to eat or buy prescription drugs!" declared Norma Murray of Metro Action for Seniors.

"Speaker Hastert, you've shown your priorities to America's seniors. Next November, America's seniors will show you theirs," Cameron shouted.

John Marvin of Maine said that many seniors find it less expensive to cross the border into Canada to buy prescriptions.

One by one, representatives of US Action's state organizations dumped



Bob Gerrard — Chronicle photo staff

Sara Williams of Jackson, Miss., protesting with US Action, places empty prescription bottles into a barrel at U.S. House Speaker Dennis Hastert's office.

Please see PROTEST page 8

## Protest

Continued from Page 1

their empty prescription drug bottles into a large barrel, filling it to overflowing, and placed it at the locked door of Hastert's office.

State Rep. Mary Flowers, D-Chicago, also participated in the rally.

"Health care is an issue that can't wait. Prescription drug coverage is not a luxury, it's a necessity," Flowers said.

"These are people who have paid their dues," Flowers said.

Flowers said the state government is powerless to change Medicare policy.

"We're at the mercy of the federal government," Flowers said.

Rank and file members of the protest were equally vocal.

"We're going to tell Hastert loud and clear that we want something done about outrageous prescription drug prices," said Sam Gierryn of Madison, Wis.

Gene Farley, a family physician from Madison, said that



Bob Gerrard — Chronicle photo staff

**John Marvin of Maine, left, of the National Council of Senior Citizens speaks as Juan Carlos of US Action holds the bullhorn at a protest over prescription prices Friday in front of House Speaker Dennis Hastert's district office in Batavia.**

"Hastert's stand means that our patients pay exorbitant prices. He speaks only for corporate profit."

Seniors are entitled to the same price breaks as large buyers, like HMOs, said Pedro Rodriguez of Philadelphia, Pa.

Thurs. Aug. 16

# Consumers clamor for HMO accountability

**Challenge Senators  
Spector, Santorum  
to back reforms**  
*SPECIAL TO COMMUNITY FOCUS*

"Managed care needs a traffic cop," said Lauten Townsend, Executive Director of Citizens for Consumer Justice. This year, before the year 2000, we must pass Senate Bill 6, the Real Patients' Bill of Rights. We must stop the horror

stories experienced by people like Michelle DeSilets of Ardmore, PA."

DeSilets' best friend - her father - was in a car accident and suffered head trauma that required much needed specialized therapy. Michelle became her father's guardian and tried desperately, after the accident, to obtain for her father the needed therapy to make him whole again.

Tragically, Michelle's requests of, and communication with, her father's HMO about his requiring specialized care (and quickly as the first year after a head trauma is considered the most effective time for rehabilitation) were greeted with stonewalling, mishandling and neglect.

The Action Alliance of Senior Citizens of Greater Philadelphia, Citizens for Consumer Justice, Pennsylvania Council of Senior Citizens, CEPA, Philadelphia Unemployment Proj. and the



## Consumers clamor for HMO accountability Challenge area senators to back reforms

CONTINUED ON PAGE 1

Central Labor Council of the AFL-CIO were joined Tuesday morning by other health care advocates in front of Senator Rick Santorum's office to demand he and Senator Arlen Specter vote in favor of Senate Bill 6 - the Patients' Bill of Rights.

The Coalition is concerned that for-profit managed care companies put the profits of managed care stockholders and CEOs before the health of patients.

Pedro Rodriguez, executive director of Action Alliance of Senior Citizens of

Greater Philadelphia said, "there are several key elements that must be present in legislation that gives patients more power in dealing with health insurance companies. They include guaranteed access to emergency care and medical specialists, permitting patients to appeal the denial of care to an independent panel of medical experts and the ability for patients to hold HMOs accountable and recover damages for improper denial of care - a critical element of real reform."

Marty Berger of the Pennsylvania Council of Seniors and also an Action

Alliance Board Member ended the news conference listing the wide array of support nationwide for Senate Bill 6 and a challenge. "These are the people who are for this bill and they will have to withstand the pressure of a multi-million dollar lobbying and advertising campaign to stop real HMO reform....let's hope that the Senators will listen to Pennsylvania patients of main street and not the HMO's of Wall Street and their PAC contributions..."

The Action Alliance of Senior Citizens is the largest senior organization in Southeastern Pennsylvania. Citizens

for Consumer Justice (CCJ), is Pennsylvania's largest consumer organization working on health and safety issues. In the last year, CCJ and Action Alliance have worked for a state and national Patients' Bill of Right. Both organizations were organizers and participants of the 1998 Patients not Profits Coalition's campaign to preserve charitable assets and community accountable health care throughout the demise, bankruptcy and sale of the Allegheny Health System in Southeastern Pennsylvania.

# The Philadelphia Inquirer

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WEDNESDAY, JULY 11, 1990

## Preventive medicine

*Allowing state lawsuits on managed care  
is a first step in real health-care reform.*

The fate of the republic must hang in the balance, so shrill, impassioned and partisan is the U.S. Senate debate on how to regulate the managed-care insurers to whom 161 million Americans look for their health coverage.

More likely, it's the outcome of next year's congressional elections and the race for the White House that's at stake.

Health-care reform is hot — even reform lite. And that's just what the Senate is up to this week, following the House lead of last year.

Not even the full-blown Democratic version of mandates on health coverage, nor granting injured patients the right to sue managed-care plans, would amount to fundamental reform. All the more true for Republicans' go-slow approach, which would expand coverage of emergency care and opt for an appeals process of disputed decisions.

The parties' differing approaches are "as profound as anything that divides Republicans and Democrats," according to Senate Minority Leader Tom Daschle (D., S.D.). Yet on the real crisis in health care — the 43 million-plus Americans without health coverage — politicians of all stripes seem united ... to do little. Their message is still: Take a seat in the waiting room.

As long as the country's not embarrassed by tinkering at the expense of those truly in need, then let the debate on patient rights proceed.

Is it broken, this system of managed care that halted runaway costs, expanded access to preventive screenings and saved Americans millions in out-of-pocket expenses? Hardly.

But managed care has a dark side: the arrogant and bureaucratic instances of coverage denials. And multimillion-dollar salaries for insurance executives suggest the sacrifices aren't being shared fairly.

If any legislation survives, it's likely to give managed-care patients more power to choose doctors and appeal denials of coverage. That could be a wash, though, inasmuch as most states have enacted similar rules, including Pennsylvania and New Jersey. The real battleground is over who decides the medical necessity of covered procedures.

Democrats would forbid health plans from overruling doctors' decisions about treatment. That's going too far — unless Congress also provides for planting money trees outside each doctor's office. But the status quo is unacceptable — with health plans effectively making medical calls yet being shielded from suits by federal rules.

Though unalterably opposed by the GOP, the Democrats' take on lawsuits is the right one: Impose accountability on managed-care insurers by allowing patients or their survivors to sue in state courts. Not only is it just, but also recent appellate and state court decisions have opened the door.

On both sides of the Delaware River, for instance, judges have approved state court lawsuits against health plans on the basis of challenges to the quality of care. Such cases remain difficult to bring, though, so Congress should clarify this right for every American in a managed-care plan.



# The Philadelphia Inquirer

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JOHN S. GILLESPIE, Deputy Editorial Page Editor

WILL MOORE, Associate Editor

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THURSDAY, JULY 24, 1997

## Mild mild mess

*Senate takes a pass at health-care reform,  
ignoring real concerns of doctors, patients.*

Senate Republicans last week finally offered to treat the woes of managed care, but their plan appears more home-remedy than proven cure.

It offers only limited new protections for Americans in HMOs, at best making Republicans champions of an incrementalist approach.

With 43 million Americans facing a far more dire condition — the lack of any health coverage — it has to be disheartening for them that the heated battle over managed-care's excesses could only produce such tinkering.

Congress can do better than what the Senate offers the 161 million Americans with legitimate gripes about the dark side of managed care — the bureaucratic denials of care, the suspicion that sometimes profits come before patients. Republicans set the right course; they just didn't go far enough.

By all means, guarantee that more people have easier access to emergency rooms and medical specialists, as the Senate did last week. Breast-cancer patients shouldn't be rousted from their hospital beds prematurely, either. And it's a step toward reform to expand even some patients' ability to appeal if health plans refuse to pay for care.

But millions of Americans would be left out of the loop by the Senate plan. Others could lose the right to truly independent appeals of managed-care decisions offered by some states, including Pennsylvania and New Jersey. Since more lax federal rules could supplant those state protections, Pennsylvania Sens. Arlen Specter and Rick Santorum effectively undercut their own state's preferable appeals procedure for HMO patients by voting for the Senate plan.

The Senate also stops short of imposing true accountability — refusing to

health-care plans. The courts are saying this right exists in more and more instances, so it should be made universal.

Toss in the possibly reckless expansion of medical savings accounts — which let people save money tax-free and opt out of traditional health-care plans — and it's understandable that President Clinton is threatening a veto. Democratic leaders and consumer and physicians' groups say doing nothing is better than what the Senate proposes.

Fortunately, the U.S. House has not spoken yet. There is a glimmer of hope for more progressive steps — as American Medical Association chair Dr. D. Ted Lewers says, to "... put 'patients back into the patients' bill of rights.'"

That hope rests in a group of House Republicans, led by Virginia's Thomas Bliley Jr., who say they're willing to buck party leaders and seek compromise with Democrats. The group, which includes three doctors and a dentist, reportedly hopes to expand the reach of any managed-care rules. That's a start.

The test will be whether they embrace more of the Democrats' vision. Doctors and patients should have primary say over health-care decisions. There's a need for caution on unproven medical savings accounts. And patients should have the unchallenged right to sue health plans when they feel insurers' decisions have hurt them.

House leaders, given their druthers, are said to favor something closer to the Senate's approach. Indeed, they failed last year to accept even a reasonable limited patients' right-to-sue provision.

Posturing may be the real game here. But there's still a chance for the House to do something worthwhile on managed care. And then — who knows? — Congress could turn to the plight of

# Prez vows to veto Senate GOP HMO measure

Associated Press

WASHINGTON — Senate Republicans, rolling over Democrats in a week of party-line votes, approved a modest set of patient protections yesterday aimed at millions of Americans who fear cost-conscious HMOs may deny them needed care.

The final vote was 53-47, with two Republicans joining Democrats in opposing the plan as too little.

Looking toward next year's elections, Democrats promised to revive the politically potent issue. Polls suggest Americans overwhelmingly favor new rules for health maintenance organizations and other managed care plans, which try to save money by eliminating what they consider unnecessary care.

President Clinton called the bill unacceptable and aides said he would veto it.

"If Congress insists on passing such an empty promise to the American people, I will not sign the bill," Clinton said in a statement after the vote. "This should be about protecting patients, not insurance companies."

Still, Republicans noted that Clinton has changed his position on other issues.

That won't happen this year, Vice President Al Gore said yesterday.

"It has zero chance of going past his desk because it's a fraud," Gore said on a visit to



Sen. Arlen Specter, R-Pa., explains patients' bill of rights at press conference with Sens. John Chafee, R-R.I., (left) and Max Baucus, D-Mont.

ASSOCIATED PRESS

## HMOs have powerful friends in Pa.

by Michael Hinkelman

Daily News Staff Writer

When it comes to friends in high places, the managed-care companies and health maintenance organizations (HMOs) apparently think they have no better friends in Washington than Pennsylvania Sens. Arlen Specter and Rick Santorum.

According to the Center for Responsive Politics, a Washington-based organization that tracks money in politics, Specter and Santorum rank first and second, respectively, in campaign contributions from managed health-care providers from 1993-98.

Specter received \$69,100 and Santorum \$46,624. The figures include both political action committee and individual contributions.

member of the Senate Health, Education, Labor and Pensions Committee, although Santorum is a member of the Senate Republican Health Care Task Force and has been a leading proponent of tax-free medical savings accounts, an initiative supported by health insurers.

So, why is Specter held in such high-esteem by managed-care interests? David Urban, Specter's chief of staff, said in a statement that the senator had co-sponsored a bipartisan health-care measure called the Promoting Responsible Managed Care Act in 1998 and again this year.

"Sen. Specter is continuing to work with his colleagues on finding a middle ground between the various managed-care bills, as it is clear that only through bipartisanship and consensus-building that the Congress come to an agreement on these difficult

Specter is not in lockstep with measures supported by HMOs, but geography could have as much — or perhaps more — to do with the contributions than politics.

Consider: The bulk of the senators' managed-care industry contributions — 66 percent in the case of Specter and 87 percent for Santorum — have come from Blue Cross/Blue Shield and Aetna/U.S. Healthcare, two leading health insurers with major operations in Pennsylvania.

Also, according to the American Association of Health Plans, the trade group for the managed-care industry, Pennsylvania had the fourth-largest HMO enrollment of any state in the country, in 1997 — 4 million. ■

Send e-mail to [hinkelm@phillynews.com](mailto:hinkelm@phillynews.com)

EDITORIAL: Page 21

Philadelphia Daily News July 16, 1999

# Learn to love your HMO, says GOP

**T**he Democrats' version of the "Patients' Bill of Rights" would have been only a better Band-Aid for the nation's ailing health-care system.

While forcing health maintenance organizations to provide better service, it would have still ignored 43 million Americans who are uninsured.

The Democrats' bill was terminal from the start. And so is the Republican substitute passed yesterday. President Clinton has vowed to veto it for being too weak.

On nearly straight party-line votes, Senate Republicans voted down the Democrats' proposal that would have allowed doctors, not HMOs, to decide what treatments patients should receive, and another that would have allowed women to go to gynecologists without getting approval from their HMOs.

Even the "rights" that Republicans accepted in their watered-down plan — better emergency room coverage, for example — were limited to 48 million Americans in federally-regulated plans. The Democrats' proposal would have covered all 161 million Americans who have health insurance.

(Pennsylvania's Arlen Specter was one of only a few Republican senators to break ranks and vote for Democratic proposals; Sen. Rick Santorum didn't.)

Republicans showed very little compassion — except, that is, for their pals in the health plan industry.

So what was all the shouting and posturing on the Senate floor?

It was both parties positioning themselves for the 2000 elections. And at first blush, the Democrats seemed to be taking the high ground.

But it's a long time until fall 2000. It's more than enough time for slick ads

## President will veto weakened 'Patients' Bill' — and he should

to convince Americans that accountants know more than doctors, that people take medications because they like the taste, and although they may not know it, they really love their HMO.

Why should next year be different from

1994, when the "Harry and Louise" ads convinced Americans they really didn't want universal health coverage?

Why different from last summer, when tobacco industry spots convinced Americans that regulations against cigarettes were new taxes in disguise?

HMO horror stories have become a staple of movie drama, news story and Congressional hearings. But have Americans finally heard enough to tell the difference between TV hype and complicated legislation? Republicans are betting no. ■

Phila Daily News  
July 16, 1999

# Michigan Citizen Action

ATTN:  
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fax page 2 of 2

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November 23, 1999

The state's largest public-watchdog organization, **Michigan Citizen Action**, and the state's leading professional health-care group, the **Michigan State Medical Society**, joined forces with people across the nation demanding real patients' rights for all. On behalf of patients – the consumers of health care – we called on the U.S. House of Representatives to pass H.R.2723, the Bipartisan Consensus Managed Care Improvement Act of 1999. Last month, they did, and the bill now awaits a conference with the Senate.

Why are people from across Michigan, and across the nation, crying out for this bill? Because we have a big problem with the accountability and accessibility of health care today . . . and everybody knows it. Everyone knows someone with a horror story – it may even be your own:

- Patients acting prudently to get emergency-room care . . . only to have their insurance coverage denied because the situation was too urgent for them to call in and wait for approval.
- Patients denied specialist care – or forced to pay for outside specialists because their health plans don't have anybody in that specialty.
- Patients getting specialized care, but only after a primary-care gatekeeper okays each visit and treatment.
- Women similarly denied direct access to OB/GYN care.
- Patients who can't go on seeing familiar doctors, even for ongoing treatment, if the doctors leave the provider network . . . or if the patients' employers change health plans.
- Business managers deciding what medicines they will and won't pay for, which clinical trials are worth covering, and what health care is medically necessary – and doctors and patients left with no independent appeal of those decisions.
- "Gag clauses" in contracts, barring doctors from telling patients about treatment options insurance may not cover, or may not want to pay for.
- Financial incentives to push doctors to deny care . . . and so save the HMOs the cost of paying for the care.

H.R.2723 protects us from all these abuses, and more. It answers the cry of the people. It sets a high national standard for patient protection – and leaves all stronger state laws in place. And it gives patients the ultimate safeguard to hold their health-care plans accountable – through independent medical review of the necessity of care . . . and, if all else fails, by suing for their rights against any insurer that has done them wrong.

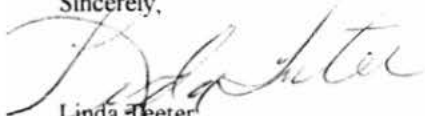
But this is not a fight of special interests – trial lawyers vs. insurance companies and HMOs (and *their* lawyers). Rather, it is a battle for quality, accessible care for everyone covered by private health insurance. Once this battle is won, and H.R.2723 passes:

- Patients will be able to act prudently to get emergency-room care . . . knowing their insurance will cover that care.
- Women will be able to get OB/GYN care without a duplicate consultation with their primary-care physician. Likewise, specialist care will be covered for all patients – even if their health plan has no such specialists.
- Patients can go on seeing familiar doctors for ongoing treatment, even if the doctors and the health plan's provider network part ways.
- Doctors and patients will have an independent appeal of the decisions health-insurance business managers make about medical treatment.
- Doctors will be able to tell their patients about all treatment options.

HR2723 is a *real* patients' bill of rights, providing full health security – accessible, affordable, effective health care for all Americans. And the people will accept no substitutes.

We urge everyone to contact Senators Carl Levin and Spencer Abraham – and your local members of Congress – today.

Sincerely,



Linda Teeter  
Executive Director, Michigan Citizen Action  
430 W. Paterson / Kalamazoo, MI 49007  
for more information, contact [Linda902@aol.com](mailto:Linda902@aol.com)



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# Michigan Citizen Action

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October 13, 1999

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## **A Letter of Thanks to the Members of the Michigan Congressional Delegation**

### **Who Voted for Consensus Bill HR2723**

[www.michcitizenaction.org](http://www.michcitizenaction.org)

The state's largest public-watchdog organization, **Michigan Citizen Action**, and the state's leading professional health-care group, the **Michigan State Medical Society**, joined forces last week with people across the nation crying out for real patients' rights for all. On behalf of caregivers, family support groups, and patients – the consumers of health care . . . and health insurance – we called on you to pass HR2723, the "Bipartisan Consensus Managed Care Improvement Act of 1999".

You did it . . . and we thank you today.

Congressman Dingell, you were the primary co-sponsor of HR2723. Thank you for taking the lead rôle, with your Republican colleague Charlie Norwood of Georgia, in reaching a bipartisan consensus on the reforms the people needed.

We thank seven other Michigan members of the U.S. House – Representatives Stupak, Stabenow, Kildee, Bonior, Levin, Rivers, and Kilpatrick – who also co-sponsored the bill. And, when we urged the rest of the delegation to vote for the bill, Congressmen Barcia and Conyers rejected all weakening substitutes and amendments and helped put HR2723 over the top.

We thank you all – and we ask you to help us persuade Senators Levin and Abraham, too, to stand with the people.

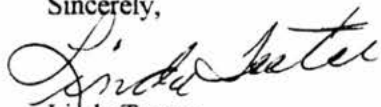
Why are we, our members, and the people of Michigan so appreciative? Well, if HR2723 passes, thanks to your votes:

- Patients can now act prudently to get emergency-room care . . . without the fear of their HMOs denying coverage because a situation was too urgent for them to call in and wait for approval.
- Women can get OB/GYN care without an HMO-approved primary-care gatekeeper okaying each treatment. The same is true for all patients and specialist care – which is covered even if the HMO has no such specialists.
- Patients can go on seeing familiar doctors for ongoing treatment, even if the doctors leave the HMO's network . . . or if the patients' employers change health plans.
- Doctors and patients will have an independent appeal of the decisions HMO business managers make about what medicines they'll pay for, which clinical trials are worth covering, what health care is medically necessary, etc.
- HMOs can't use "gag clauses" to stop doctors from telling patients about treatment options HMOs may not cover or may not want to pay for – or financial bonuses for doctors to deny care . . . so HMOs don't have to pay for it.

HR2723 sets a high national standard – and leaves all stronger state laws in place. It gives patients the ultimate safeguard to hold their health-care plans accountable – through independent medical review of the necessity of care . . . and, if all else fails, by suing HMOs that do them wrong. HR2723 is a *real* patients' bill of rights – the people will accept no substitutes.

Thank you for voting to pass HR2723, and showing that you care about full health security – accessible, affordable, effective health care for all Americans.

Sincerely,



Linda Teeter

Executive Director, Michigan Citizen Action

430 W. Paterson / Kalamazoo, MI 49007

for more information, contact [Linda902@aol.com](mailto:Linda902@aol.com)



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## **Press Conference – 99/10/04:**

### **Patients' Rights and Consensus Bill HR2723**

Statement of Linda Teeter, Executive Director/Michigan Citizen Action

My name is Linda Teeter, and I am here to join the voice of Michigan Citizen Action – the state's largest public-watchdog organization – to the many voices crying out for real patients' rights for all. Hundreds of groups, here in Michigan and across the nation, are in favor of HR2723: groups of caregivers, family support groups, and groups speaking for patients – the consumers of health care . . . and health insurance. Thank you all.

I proudly join Congresswoman Stabenow, Congressman Dingell, and Dr. Sawhney here today. As Dr. Sawhney and I are here for our diverse groups, Representatives Stabenow and Dingell represent the support for this consensus bill in Congress – in both houses, on both sides of the aisle. As we can see, half of Michigan's U.S. House delegation has signed on to HR2723 – eight of the 133 co-sponsors to date. I thank Congresswoman Stabenow, who called us all here together; Congressman Dingell, the prime co-sponsor of HR2723; and Representatives Stupak, Kildee, Bonior, Levin, Rivers, and Kilpatrick. And it's not too late for the remaining eight in the House – and Senator Abraham – to join us.

But what are we asking them to join? Why is there such a big outcry from across Michigan, and across the nation? Because we have a big problem with health care today . . . and everybody knows it. Everyone knows someone with a horror story – it may even be your own:

- Patients acting prudently to get emergency-room care . . . only to have their HMOs deny coverage because the situation was too urgent for them to call in and wait for approval.
- Patients denied specialist care – or forced to pay for outside specialists because the HMO doesn't have anybody in that specialty.
- Patients getting specialized care, but only after an HMO-approved primary-care gatekeeper okays each visit and treatment.
- Women similarly denied direct access to OB/GYN care.
- Patients who can't go on seeing familiar doctors, even for ongoing treatment, if the doctors leave the HMO's network . . . or if the patients' employers change health plans.
- HMO business managers deciding what medicines they will and won't pay for, which clinical trials are worth covering, and what health care is medically necessary – and doctors and patients left with no independent appeal of those decisions.
- "Gag clauses" in contracts, barring doctors from telling patients about treatment options an HMO may not cover, or may not want to pay for. Financial incentives to push doctors to deny care . . . and so save the HMOs the cost of paying for the care.

HR2723 protects us from all these abuses. It sets a high national standard – and leaves all stronger state laws in place. And it gives patients the ultimate safeguard to hold their health-care plans accountable – through independent medical review of the necessity of care . . . and, if all else fails, by suing HMOs that do them wrong. HR2723 is a **real** patients' bill of rights – and the people will accept no substitutes.

This bill has bi-partisan support in Congress. It has broad support among all the people of Michigan. On behalf of Michigan Citizen Action, our members, and the citizens of our great state, I urge Congress to pass HR2723 . . . and show it cares about full health security – accessible, affordable, effective health care for all Americans. Thank you.



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## Backers of patient rights go on the offensive.

Nov 5 1999 12:00AM By Kathleen Gray News Reporter

Even though the patient bill of rights won't be crafted until next year, a group of citizens already is taking its message straight to politicians. About 50 people gathered in front of the Southfield office of U.S. Sen. Spencer Abraham to urge the Auburn Hills Republican to support the bill of rights passed by the U.S. House.

The House version differs from the Senate bill in one key area: The House bill gives patients freer rein to sue health maintenance organizations if the HMOs refuse to pay for treatment for an insured patient and the patient subsequently is severely injured or dies. A conference committee is being put together to reconcile the bills, but it isn't expected to begin work until next year.

Those gathered outside Abraham's office — members of the Service Employees International Union local 79, the Gray Panthers, the Women's Action for New Direction and Michigan Citizens' Action — accused the first-term senator of voting for the Senate version because of the contribution he's received from insurance companies in the past five years. "Dollars are corrupting our fight for the patient bill of rights," said Fern Katz, a spokeswoman for WAND. "Unlimited soft money has corrupted our system until it's unrecognizable."

Joe Davis, a spokesman for Abraham, rejected that argument. Abraham fought for amendments to the bill that were opposed by HMOs, said Davis, including: allowing doctors, rather than HMOs, to make medically necessary decisions for patients; stopping "drive-thru" mastectomies by requiring hospitals to allow patients to stay in the hospital longer after an operation if medically necessary; allowing self-employed people to deduct 100 percent of their purchased health care from their taxes; and allowing OB-GYN doctors to be categorized as primary care physicians.

"The Senator was one of three Republicans who voted to give doctors the right to make medical decisions. It's a bit disingenuous for them to say that he only supports HMOs in this bill."

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LAURA  
BERMAN



Laura Berman is on assignment.

The Detroit News

# Metro

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TUESDAY, OCTOBER 5, 1999

# Patients bill emulates state law



David Coates / The Detroit News  
**Tricia and Calvin Luker, embroiled in a fight with their managed care company, want liability placed on HMOs.**

**Bipartisan proposal in Congress adds what Michigan law doesn't — right to sue HMOs.**

By Sarah A. Webster  
*The Detroit News*

**DETROIT** — The proposed Patient Bill of Rights to be debated in Congress this week has its roots in Michigan's own patient protection law, which entitles residents to treatment at the closest emergency room among other things.

But the bipartisan bill sponsored by U.S. Reps. John Dingell, D-Dearborn, and Charles Norwood, R-Ga., would provide a wal-

lop of strength that the state law lacks: the right to sue an HMO.

Patient advocates in Michigan failed to get that provision included in the state law, which was used to help shape the bipartisan bill, Dr. Krishna Sawhney, president of the Michigan State Medical Society, said at a press conference Monday at Sinai-Grace Hospital in Detroit. The press conference was called to promote the federal bill.

A string of patients, on hand

with stories about health insurance hassles, begged U.S. representatives to hang the threat of liability over these companies. About 3 million Michiganians are covered by HMOs.

The parents of Jessica Baccus Luker, 24, of Royal Oak, who died three weeks ago, are among those who believe they have something over which to sue.

Tricia Luker said she has been embroiled in a fight with Jessica's Medicaid managed-care provider, OmniCare, since May. Calvin Luker stood by his wife, holding a picture of their daughter.

Jessica, who had a metabolic

disorder, had a brain implant put in on May 11, in an effort to halt the numerous disruptive seizures.

In a letter postmarked May 12, the Lukers were notified that Medicaid had put Jessica into OmniCare, effective May 1. OmniCare then refused to pay for the surgery Jessica had the day before, because it wasn't authorized.

"We were fighting the HMO as Jessica was fighting for her life," Tricia Luker said.

On Sept. 10, Jessica died. While the Lukers don't blame the HMO for their daughter's death, they would like to sue for the cost of her surgery.

But HMOs are protected from lawsuits by the 1974 law designed to prevent employees from suing employers for inadequate benefits.

"They make major medical decisions, and they have serious consequences," Sawhney said. "They should be held accountable."

Gregory Moses, president of OmniCare, denied that the health plan refused payment of the bill and said he would be happy to meet with the Luker family to discuss any problems.

Managed care organizations are fighting the patient bill, saying that it will increase costs.



## EDITORIALS

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# Protect patients and employers

*Congress should set aside politics and find a way to hold health insurers accountable.*

**U**S. Rep. Charlie Norwood, R-Ga., who co-sponsored a patients' rights bill passed last week by the U.S. House of Representatives, said it best: "We tell welfare mothers, we tell deadbeat dads ... you have to be responsible for yourself." Health insurance is "the only industry in America where we say you are absolutely protected from being responsible for your actions."

Unfortunately, there is some worry that the House version which gives patients the right to sue their health insurers for denied care, passed by a wide bipartisan margin, also contains some landmines for employers.

U.S. Rep. Fred Upton, R-St. Joseph, was one who, along with U.S. Rep. Peter Hoekstra, R-Holland, voted against the bill.

Its "fatal flaw," Upton said, was that "it leaves employers who voluntarily provide and pay for health plans for their employees wide open to malpractice lawsuits. Many employers across Michigan - large and small alike - have told me that they would drop their plans or would be forced to substantially reduce benefits or increase employee cost-sharing in response, adding to the 45 million Americans

who today lack any health care coverage. The last thing I wanted to do was vote to protect my constituents right out of any coverage at all. Under the guise of patient protections, we'd end up with patient rejection."

The American Medical Association, which supported the bill, co-sponsored by Democratic U.S. Rep. John Dingell of Michigan, disputes that it would expose most employers to lawsuits. But it concedes that employers who play a direct role in coverage decisions would be liable.

We agree with Norwood that health insurers need to be held accountable when they put the bottom line ahead of the welfare of patients. And we fail to see why patients rights and employers who provide health care insurance to their workers can't be protected at the same time.

If employer liability is the poison pill that causes Republicans to reject meaningful patient rights measures, then we hope that whatever compromise that emerges between House and Senate versions will find a way to protect employers.

Yes, it may be naive to think that only a year before the next round of federal elections either party would be willing to craft a common-sense bi-partisan bill that holds insurers accountable, protects patients and holds employers harmless.

But we can dream, can't we?

# Protest targets HMO reform

<sup>10</sup>  
<sup>27</sup>  
<sup>93</sup> **PATRICK ORR** <sup>3A</sup>  
*The Enquirer*

A handful of local community activists met by the Sojourner Truth Monument Tuesday to lobby U.S. Sen. Spencer Abraham to support a strong "Patients Bill of Rights," which is currently being discussed in Congress.

Deb Sallee, president of the A. Phillip Randolph Institute of Battle Creek, told a group of nine people Tuesday Abraham was unduly influenced by insurance and health care companies.

"There are 215,570 reasons why Abraham can find to vote against a strong patient bill of rights," she said. "This represents the number of dollars he has taken from insurance,

HMO, and other special interests who do not want a strong patient bill of rights passed."

"We are calling on the senator to support the people, not his cash constituents."

Joe Davis, spokesman for Abraham, said the senator was not influenced by special interests and his voting record proves it.

"He voted specifically against certain provisions supported by the insurance industry when he voted on the bill," said Davis. "He supported the key provision allowing doctors to make medical necessity decisions."

Abraham also supported longer hospital stays for women who have mastectomies and forming an exter-

nal review board for HMO patients who feel they did not get adequate medical care, said Davis.

Different versions of the "Patient Bill of Rights" have been passed by both the U.S. Senate and the House of Representatives, and a conference committee has been formed to debate and discuss the bill, which is supposed to guarantee adequate health care to all citizens.

While Davis said he did not agree with Sallee's opinions, he acknowledged the importance of health care issues on all political levels.

"That sounds like normal grassroots activism. We are glad people are getting



JOHN GRAP/THE ENQUIRER

**Deb Sallee, president of the Battle Creek chapter of the A. Phillip Randolph Institute, speaks during Tuesday afternoon's protest rally at Monument Park.**

involved in the debate. It's a tough issue," he said.



## **US Action Health Care Meeting**

We appreciate Vice President Gore's good work and leadership in the fight for a strong Patients' Bill of Rights and affordable prescription drugs. We believe he should build on this work by:

1. **Articulating a strong, bold, and positive message about quality, affordable health care for all.**
  - Presenting a vision is critical.
  - His attacks on the cost of Bradley's plan are heard as an unwillingness to support universal coverage.
  - Instead, he should draw distinctions based on the importance of the issue, with a focus on high quality, affordable health care as a right. It's a motivating issue for Democratic voters and broadly popular among swing voters.
2. **Moving his plan faster, further (by covering more people), and more comprehensively.**
  - Covering kids is a great step forward, but who will be left out?
3. **Pushing for more health care for the money.** Nurses should be providing care, not negotiating with insurance company bureaucrats.
  - He should attack the insurance industry. The industry clearly doesn't work for consumers. People are paying rising out-of-pocket costs, plans don't cover needed services like mental health, and people are forced to waste time and be demeaned by insurance company hurdles to care. If we want to get to universal coverage, we need to put the blame for its opposition where it lies.
  - By expanding his message to address the high and increasing costs to the insured, he will show that he is concerned about everyone, not just the uninsured. In addition to 44 million uninsured Americans, we have 200 million underinsured Americans.

# OCEAN STATE ***ACTION***

The Health Care Organizing Project, founded by Ocean State Action and the RI Chapter of the National Association of Social Workers, is a coalition of twenty-two organizations, including community groups, health care consumers and health care professionals. Together, we work for quality, affordable health care for all. As we look at national proposals to address this country's growing health care crisis, Ocean State Action's focus is on who is left out. For example, through our advocacy, the state of Rhode Island covers almost all uninsured children within our borders. However, the number of uninsured adult Rhode Islanders are growing every day, exacerbated by a health care crisis where commercial insurance costs are rising exponentially, two of our health insurers are leaving the state, and we have only one Medicare HMO still accepting new enrollees. And within our children's health program, dental services and services for children with special health care needs are woefully inadequate.

We need a national health initiative that addresses our uninsured populations faster and more fully. Short of a integrated single-payer system, any new national health initiative should allow states that already insure children the flexibility to use federal funds for additional services (dental and children with special health care needs) and for additional populations (allowing adults to buy in to a subsidized Medicaid-like program).



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**Print Media Press Clippings  
on Efforts in New York State  
to Expand Health Coverage  
to Uninsured Adults in Working Families**

Featuring the New York State Health Care Campaign, its  
member organizations and Citizen Action of New York

January to December 1999

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- 90 Pennsylvania Avenue, Massapequa, NY 11758 (516) 541-1006

## Plight of uninsured told in Albany

E. Greenbush woman  
among those  
calling for reform

By Kevin Hogan

The Record

ALBANY — Kendra Myers knows all too well the devastating impact that not having health insurance can have on a family.

Years ago, her mother was diagnosed with breast cancer and other health ailments, only to be dropped by her insurance company. The medical bills piled up and her parents eventually filed for bankruptcy and lost their home.

Today, Myers and her 10-year-old son are struggling with their own medical problems.

Myers, 48, of East Greenbush, is currently unemployed after being laid-off this summer from her teaching job at Questar III, the Board of Cooperative Educational Services that serves Rensselaer, Columbia and Greene counties.

Her son, David, recently qualified for a state-subsidized health insurance program.

However, Myers said she can no longer afford her own \$178-a-month policy and expects not to have health insurance after the beginning of the year.

Millions of other New Yorkers also say they can't afford the escalating cost of health care or are not offered health benefits at work.

"It's a crime. It's an outrage. It's a horrible thing that people cannot

## Uninsured: Tell of their plight

► Continued from A1

afford to take care of their health needs," Myers said. "You just can't take care of the children. You have to take care of the adults who have to take care of the children."

Myers' told her story to reporters in Albany Wednesday as a coalition of healthcare advocates held a press conference to urge Gov. George Pataki and state lawmakers not to forget the more than three million New Yorkers without health coverage.

Myers' plight, along with dozens of other state residents, is featured in an exhibit at the Empire State Plaza.

While the state has made tremendous strides in providing health coverage to uninsured children under the Child Health Plus program, advocates now want those same benefits provided to uninsured adults in a program called Family Health Plus.

Myers' son, who has developmental disabilities, was without health insurance until she learned about the state program.

"If there wasn't Child Health Plus, he wouldn't have any health coverage now," she said. "It's a godsend. It really is."

Whether Myers herself will join of ranks of uninsured New Yorkers could be addressed later this month. The Legislature is expected to return to the Capitol to reauthorize the state's Health Care Reform Act, which expires Dec. 31.

Lawmakers are under increasing pressure to provide affordable health coverage to uninsured adults. Advocates want the state to use a significant portion of New York's \$25 billion settlement with the tobacco industry to cover the additional costs.

"We have 3.1 million people in this state without health coverage. We have an opportunity to address that crisis and we should do it now," said Anne

Erickson of the Greater Upstate Law Project.

The governor and legislative leaders have still not disclosed their plans for the Health Care Reform Act, or if relief is coming for uninsured adults.

But Richard Kirsch, director of Citizen Action of New York, is optimistic that officials will enact meaningful changes.

Kirsch said he is encouraged to hear state Republicans now want to put most, if not all, of the state's share of the national tobacco settlement into health-related spending, including coverage for uninsured adults.

Earlier this year, Kirsch noted that Pataki wanted most of the money to pay off state debt, while Senate Republican Majority Leader Joseph Bruno was initially pushing tax cuts.

Meanwhile, advocates want lawmakers to significantly expand the eligibility requirements to up to 250 percent of the poverty level, eliminate provisions that punish people for having modest savings, and simplify enrollment procedures.

"In order to qualify for medical assistance right now in this state, you have to be desperately poor," said the Greater Upstate Law Project's Erickson.

A three-person family must earn less than \$8,000 a year to qualify for subsidized health coverage in New York, while in other states, that income level is \$20,000 or \$30,000, Erickson noted.

The way the system currently exists in New York, state officials only exacerbate the problem of poverty and lack of affordable health coverage, according to Christy Margelli, deputy director of Citizen Action of New York.

Countless working families across the state are forced to decide whether to pay out-of-pocket expenses for health coverage or other bills, Margelli said.

If health ailments go unchecked or untreated, many people will be unable to work for a living.

"Eventually they become impoverished enough to qualify for Medicaid. With Medicaid coverage, they get the health treatment they need. Their health improves and they go back to work. Back to another job with no coverage. And the vicious cycle begins all over again," she said.

That scenario is exactly what Kendra Myers said she wants to avoid.



# TOPIC

Nicole Fenichel

## How Can Uninsured People Get Health Coverage?

**W**E LIVE in a country with the best medical care in the world. We spend more money on our health-related services than any other industrialized nation. Yet 44 million Americans have no health insurance at all. And, on Long Island, the rising cost of coverage is a problem for many middle-income people who find themselves thrown into the realm of the working poor and the ranks of the uninsured. At the same time, financial pressures are leading our hospitals to take shortcuts that threaten the quality of care.

One out of every five Long Island residents under age 65 has no health coverage. Recently Newsday reported the tragic story of Donna Huebner, a 55-year-old woman with cancer who died in March because she didn't have health insurance. She'd been uninsured since her divorce 15 years earlier. Though she had a job, she couldn't afford health coverage but made too much for Medicaid. Unfortunately, thousands of Long Islanders are just like her. They go without necessary medical care, at the expense of their health and sometimes even their lives.

Even those who qualify for coverage may find it difficult to obtain. While New York's Child Health Plus program is easy to apply for and free of stigma, Nassau and Suffolk county residents who apply for Medicaid face a burdensome and sometimes intentionally demeaning process. Since counties pay 25 percent of Medicaid costs, shortsighted efforts to save money by discouraging applicants contribute to the number of uninsured. People without coverage turn to hospital emergency rooms, where medical costs are the highest, for help when they become seriously ill. Public hospitals such as University Hospital Medical Center at Stony Brook (where Huebner was denied care) are particularly hard hit.

Driven by cost pressures and escalating numbers of uninsured patients, many hospitals are trying to replace professional nurses with health-care workers who earn less but are not properly trained, or by

**New Yorkers who earn too much — or not enough — fall through the safety net.**

reducing nurse-to-patient ratios in order to cut costs. Nurses are holding a strike at North Shore Hospital in Plainview to demand that they have a voice in the quality of

care for their patients. Other hospitals succumb to cost pressures by embracing mergers that close or reduce services in community hospitals by redirecting resources to the stronger partner (leaving one community medically impoverished), or by demanding that both partners abide by rules that may prohibit many reproductive services and disregard patients' end-of-life wishes.

The problems with Long Island's health care system are part of a national trend — and call for a national solution. It's time to put patients ahead of profits and move toward universal coverage. But until that happens, the state can step in.

With the expiration of New York's Health Care Reform Act on Dec. 31, 1999, comes the opportunity not only to preserve HCRA funding for hospital services to the uninsured, but to address the needs of people who can't afford health coverage. Hospitals, health-care workers and activists are proposing a program called Family Health Plus as part of a revised HCRA. Family Health Plus would provide affordable, comprehensive health coverage to uninsured adults in working families. It is modeled after Child Health Plus, the program that has helped to insure thousands of Long Island's children. This bill has the potential to cover an estimated 1 million New York adults who can't afford coverage, and reduce premiums so that people who can afford to buy coverage if the price is reasonable will remain insured.

New York has new revenue to fund this vital expansion, which might run \$1.5 billion a year. By taking advantage of a dollar-for-dollar federal match for many enrollees in Family Health Plus, and by committing 90 percent of New York's share of tobacco settlement funds, the state can expand affordable coverage so Long Islanders won't have to choose between getting needed health care and putting food on the table.

The State Assembly has passed its own version of Family Health Plus, a welcome effort that need only be broadened and revised in several respects to assure a fair and successful program. Gov. George Pataki and the State Senate should jump at the chance to increase access to affordable health coverage and save some lives while they're at it. Isn't one story like Donna Huebner's enough?



Nicole Fenichel is the project coordinator of the Long Island Progressive Coalition, a local chapter of Citizen Action New York, a non-profit organization based in Massapequa.



Donna Huebner of Brentwood, here with her brother and her nephew, lost her two-year battle to cancer last March because she didn't have health insurance. By the time she qualified for Medicaid, it was too late.

# OTHER VOICES



Wide coverage helps people without insurance as well as reducing fixed costs for those currently with coverage. When New York passed the Health Care Reform Act, Gov. George Pataki and the Legislature established a broad-based Child Health Plus program. This program, using the principles of health insurance in contrast to an entitlement model, offers a solid basis for expanding health insurance for families. Several family insurance proposals would rely only on government to pay, but that's likely to have some employers avoid offering health insurance, and hence, would not enlarge the number of those covered.

— State Sen. Kemp Hannon (R-Westbury), chairman of the state senate health committee



It would make more sense for federal action, but lacking that it's up to the states. New York should use its share of the tobacco settlement to fund Family Health Plus. You know, a billion dollars could get a substantial share of the uninsured population but there would still be many people left on the margins. Again, if everybody had a magic wand on this, it would already be fixed. You can't depend on the market alone. That's why there's a role for government.

— Blair Horner, legislative director for the New York Public Interest Research Group



There are probably about 200,000 uninsured people in Suffolk County, and probably about 40,000 are kids. We're a Child Health Plus provider so we have experience in this. We often say that the best thing is to have Adults Health Plus or Family Health Plus, so the parents have primary coverage for themselves and for their prescriptions and dental coverage. Child Health Plus has allowed us to take those uninsured children that we see and enroll them into a plan. If you don't have health insurance, you're only going to go if you're sick. You're not going to go for preventive medicine. Too many people fall through the cracks. From a public health perspective it only makes sense that they have services.

— Dr. Clare Bradley, Suffolk County health commissioner



Everybody in our society should have access to health care. First of all, health care is a right, not a privilege. And it only makes sense. If parents don't have access to take care of their diabetes or blood pressure, how can we expect them to hold down their jobs and raise their families? It's a social good. I really think society could afford this. If we work toward the goal of health care for all, we can get there and work out something that would not be onerous to the taxpayer.

— Dr. Mary Hibberd, former Suffolk County health commissioner and senior vice president for medical affairs at IPRO, the state peer-review organization, based in Lake Success



There are a lot of different interests competing for use of the state's tobacco money. What we have to do is see how it's going to be allocated and then figure out within that allocation what the income limits are and who we can bring into the insurance program. We're moving in the direction of a Family Health Plus program to help the moderate to lower income people be covered by insurance. There will probably always be some people who aren't covered — they could be in transition between jobs, that type of thing. But we're going to expand insurance coverage. I think the tobacco money should be used for this.

— State Sen. Dean Skelos (R-Rockville Centre), state senate deputy majority leader

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## Pressure mounts

### Health Care Reform Act to expire Dec. 31

By E.R. MYRTHIL  
Gazette staff writer

"My insurance premiums are equivalent to my rent/mortgage."

"I lay awake at night, panicking, praying that I remain healthy enough to care for my kids."

"I'm 19-years-old, and I have medical bills that exceed three thousand dollars."

These are how the stories begin.

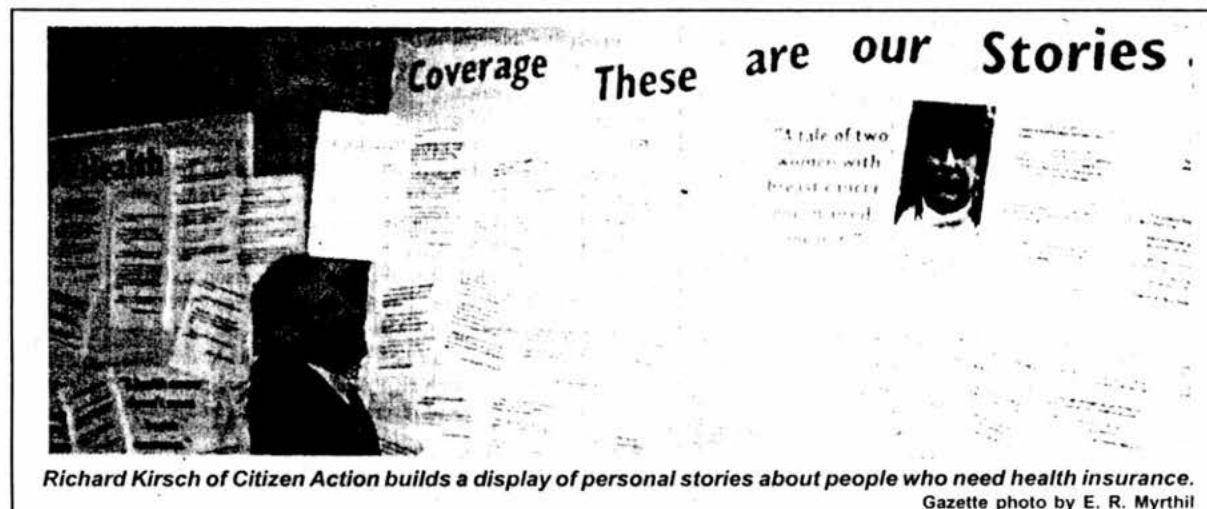
"I ask myself every day, would my husband still be alive today if he had health insurance." This is how some of them end.

The question: What happens if the Health Care Reform Act (HCRA) is allowed to expire?

While HCRA talks have been ongoing between lawmakers and with the governor, the act is set to expire Dec. 31, and a coalition of organizations such as Citizen Action, the Healthcare Education Project, the Greater New York Hospital Association, the Greater Upstate Law Project, and Local 1199 of the National Health & Human Service Employees Union want to know about the progress.

Robert Kenny, a spokesman for the state Health Department, said, "The governor's administration is working with legislators and other interested parties to come up with new HCRA legislation. The governor will submit his proposed legislation at the appropriate time."

However, Kenny declined to speculate when that will be, although there were published reports that lawmakers are expected back in Albany the week of Dec. 13 to deal



Richard Kirsch of Citizen Action builds a display of personal stories about people who need health insurance.

Gazette photo by E. R. Myrthil

with the issue. Until then, hundreds of construction workers, waitresses, mechanics, substitute teachers, and temporary workers remain uninsured.

Last week in Albany, the coalition proposed Family Health Plus (FHP) as an extension to HCRA. FHP would make affordable, quality health care insurance available to working New Yorkers.

"Since the health care campaign began, we have heard disheartening and heartbreaking stories of thousands of New Yorkers without health coverage. Although the accounts may differ — they speak with a single unifying voice

when they simply ask for affordable health insurance," said Citizen Action Director Richard Kirsch. "Their stories are a testament to the urgent need for the state Legislature and Governor Pataki to address this growing crisis."

According to Anne Erickson, legislative coordinator for the Greater Upstate Law Project, FHP is a plan designed on the same foundation as Child Health Plus, only it would extend affordable health coverage to uninsured working parents and other individuals who do not have access to an affordable employer-based health plan.

"FHP would be coordinated with existing

subsidized health insurance programs like CHP and Medicaid to make transitions between the programs as seamless as possible," said Erickson.

While they believe enactment of FHP would act as a significant solution to the health insurance crisis, there is a problem: The resource test, which requires applicants to provide a list of personal assets. According to Erickson, the resource test punishes families for saving towards retirement or their children's education. The argument is that Family Health Plus is not welfare and

Continued on page 2



**Richard Kirsch of Citizen Action calls for action on a Health Care Reform Act as Anne Erickson of the Upstate Law Project looks on.**  
 Gazette photo by E. R. Myrthil

## ***. . . Health Care Reform Act to expire Dec. 31***

**Continued from page 1**

should not be act like one.

"To advance this goal and to eliminate the barriers to enrollment in existing programs, the FHP proposal calls for a simplified, uniform application process for all New York's health insurance programs as well as more vigorous outreach to maximize family enrollment in the programs for which they are eligible."

According to a spokesperson for Assembly Health Committee Chair Richard Gottfried, the Assembly recognizes the concerns of the advocates but the time to negotiate FHP and HCRA has not arrived. Until there is an agreement within the Legislature and with the governor, the spokesperson said that there will not be an opportunity to deal with the resource test.

The spokesperson said the Assembly's major concerns right now are with hospitals, medical clinics and other health care providers funded through HCRA. "If healthcare providers don't have knowledge of revenues and rules as of January

1st, it disrupts the efficiency in the healthcare sector."

Robert Hack, upstate coordinator for the Healthcare Education Project, said that renewal of HCRA remains extremely important because it helps New York's teaching hospitals provide state-of-the-art care to New Yorkers and strengthens funding for hospitals and clinics that treat tens of thousands of uninsured patients. However, he added it is important not to put on the back burner the many people that do not have access to health care at all.

Located in the Empire State Plaza Concourse is a collage of poems, pictures, and stories of people and their families living with no insurance. "The art exhibit speaks volumes about the serious problems working New Yorkers with out health insurance face every day," said Hack. "There are currently 3.2 million New Yorkers without health coverage and the governor and the state Legislature have a golden opportunity to do something about this as we celebrate the holiday season."