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Healthcare overhaul fine, but where is the money, locals ask

By MARILYN BOWDEN

President Obama's mandate to Congress to overhaul the nation's healthcare system is raising concerns among local businesspeople with ties to the healthcare industry.

One major question is where the money is coming from.

"A lot of people in the industry are looking at just how much government funding is going to be contributed to solving issues in the industry," said Alan D. Lash, a founding partner of Lash & Goldberg board-certified in health law.

People are looking at how much money has been poured into banking and the auto industry, he said, and asking for more clarification on how much will be contributed to healthcare.

"Collectively, business groups are very concerned about the cost and the fact that the proposals that have been articulated don't seem to have a funding mechanism laid out," said Robin Taylor Symons, partner and member of the Labor & Employment Practice at Epstein Becker & Green.

"They would like to see some accountability and transparency as to how any additional

healthcare load would be funded."

Small business owners who have not provided health insurance coverage to their employees will be looking very closely at what their mandates and options will be, said William J. Spratt Jr., a board-certified health lawyer with K&L Gates.

"The House version that came out last week picks up some of the features of the Massachusetts plan," he said, "which mandates health insurance coverage for everybody. Employers will be obligated to provide it for their workers or pay a fee based upon a percentage of their payroll so that their employees can access one of the other options out there."

People who already get insurance from their employer are concerned that the government will interfere with that, Mr. Lash said, and dictate what kinds of care they can receive.

"It needs to be clear," he said, "that doctor-patient relationships will not be impacted."

Proposed cuts in Medicare payments will be tough on already understaffed hospitals, Mr. Lash said.

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Robin Taylor

Employers who have an insurance program now worry about what happens if it doesn't meet the definition of a qualified health insurance plan, Ms. Symons said.

"The Kennedy proposal," she said, "would create a new level of folks called 'navigators' to help people enroll who would be receiving federal funds for this purpose. That may include unions, which could be expected to create significant tension."

Emerging bills propose some sort of insurance market exchange where people can comparison-shop for coverage, a concept against which Ms. Symons said "there will be significant pushback from existing insurers."

Inefficiency is a big issue is today's fractionalized system,

Mr. Spratt said, with insurers administering their own plans and setting their own coverage guidelines, benefits and premium structures.

So standardization such as electronic health records that would increase efficiency are generally applauded.

"Another thing that will come out of this is additional emphasis on combating fraud, abuse and waste within the system," he said, "which would certainly be helpful."

There are already voluntary efforts by competing interest groups, Mr. Lash said, "to reform their own houses in advance of sweeping legislation that may come down the pike."

For example, "the pharmaceutical industry reached an agreement to reduce Medicare costs for prescription drugs, and insurers are saying that for individual health plans they will stop charging women higher premium rates than men."

"There has to be a change, because 46 million Americans are without healthcare insurance," said Ken Weston, principal of Kenneth Weston & Associates, who has spent 30 years in healthcare real estate. "I feel there has to be greater emphasis

in primary preventative healthcare.

"Cost-cutting measures in Medicaid and Medicare programs are necessary, and there's got to be a stop to denying coverage because of pre-existing conditions."

The current system, he said, is draining personal and corporate budgets.

"It's going to take a while to reform," he said. "It could be five years, but in my estimation it's got to be done."

Since specifics of the Administration's plan aren't yet final, said Jeffrey Freimark, CEO of Miami Jewish Home & Hospital at Douglas Gardens, it's premature to comment on details.

"Whatever decision is ultimately reached," he said, "it's critical that it be one that is adequately funded, sustainable over the long term, and most importantly, does not compromise the best interests of the patient."

"Quite often when it comes to debate on healthcare reform, many parties with deeply entrenched interests become involved in the process. The danger is that our most vulnerable populations—those most in need of care—can get lost in the shuffle."

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