

Guest commentaries weigh in on health care reform



Setting the record straight on health care options and opportunities

By U.S. Senator Byron Dorgan

With insurance costs rising, and more and more people being denied access to the health care they need, I'm glad that we are having a debate about how we can improve our health care system.

For starters, I don't support a "government run" health care system. I don't support one that pays for abortions. And I don't support euthanasia. These are just a few of the charges being made by those who oppose reform. Still, I think some common sense reform is needed.

Far too many people are denied insurance coverage because of "pre-existing conditions." Many times, health insurance companies will gladly accept premium payments month after month, but then try to drop their coverage once a person gets sick and actually needs treatment. Health reform must put the interests of consumers ahead of insurance company interests. These insurance industry practices are wrong, and they must be addressed in order to offer meaningful reform.

There is something seriously wrong when in the wealthiest nation in the world, one in seven Americans can't afford health insurance at all and millions more struggle to afford it. I think all Americans should have access to quality and affordable health care.

But I don't agree with those who say that we should scrap our system altogether and start from scratch. Two-thirds of Americans under the age of 65 receive health coverage from their employer. As a starting

point, I think it's important that people who already have coverage and are satisfied with their health care plan should be able to keep that coverage.

As you might imagine, I have heard from a lot of North Dakotans who are concerned about the health care reform legislation. I have also received numerous inquiries regarding the specifics of this legislation.

At this time, a number of Congressional committees are crafting proposals to reform our health care system. In the Senate, the Health Committee and Finance Committee are working on versions of health care reform legislation, which will be merged into one bill before being debated in the Senate. The relevant committees in the House are also working on a health reform proposal. I say all this because Congress has a

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lot of work to do before a final health care reform bill is drafted or debated on the floor.

That said, the following are some of the issues that I feel should be included in the health care reform bill.

Any health reform legislation must take steps to contain our skyrocketing health care costs. The United States spends more than any other country on health care – more than \$2 trillion each year – but we don't fare as well as others on some key quality

measures. For example, countries such as Cuba, Slovenia and Iceland have lower infant mortality rates than the United States. And life expectancy in the United States is less than in Japan, Switzerland, Australia, Spain and a number of other countries. We need to take a hard look at why we spend the most in the world on health care but don't get better results.

The bill should also place greater emphasis on prevention and wellness. What we have now is a sick care system, not a health care system. Rather than paying for expensive care once people get sick, we ought to be doing more to keep people healthy.

In addition, the bill must ensure providers are fairly paid. The Medicare reimbursement system is broken and puts providers in North Dakota and other rural states at a disadvantage. Medicare reimbursement rates are largely based on old data about what it costs to provide care. Because North Dakota providers have historically been more efficient than most, we are now penalized and severely underpaid compared to other states. I am hoping we can finally make some headway on this issue and start to level the playing field.

Finally, the bill should ensure those with insurance are treated fairly. Millions of Americans purchase health insurance only to find they are disqualified from receiving benefits when they need them. Health insurance companies should not be able to deny people coverage or charge outrageous premiums because they're sick. They also shouldn't impose restrictions on coverage to people after they become sick.

Reforming our country's health insurance system is critical not only to the health and well being of our citizens, but to our nation's long-term economic competitiveness. I've met and talked with North Dakotans all across the state on this critical issue, and I look forward to this important debate.

The dollars and sense perspective on health care affordability for farmers

By Brad Gibbens, Interim Co-Director, Center for Rural Health, UND School of Medicine and Health Services

The subject of health reform – the need for it, the structure reform should take, and how to finance it – has come to dominate national, state, and community discussions. Much of the national debate revolves around coverage, ways to finance coverage and a rigorous debate over the "public plan." These are all important policy issues, and they affect rural North Dakotans directly. North Dakota also faces significant challenges in the structure of health care, such as the ability to have enough health workers and the actual viability and sustainability of our rural health facilities.

Overall, while the North Dakota economy has weathered much of the recession well, economic issues still exist that cause individual and family distress. Much of this is more pronounced in rural areas. For example, rural North Dakotans have lower rates of health insurance coverage, a higher poverty rate, higher unemployment and lower personal incomes than found in urban North Dakota.

Financial and economic factors weigh heavily in many homes across rural North Dakota. Rural and urban homes alike are affected by global and national health system problems, which leave people worrying if they can afford health care for their family. They are forced to make hard choices between purchasing food and paying the medical bill, which causes them distress about the future for their children. The United States spends two times the amount for health care as is spent in other industrialized countries. Measured as a part of the Gross Domestic Product (GDP represents the economic value of all goods and services), health care is about 18 percent of our GDP in comparison to Canada, England, and France, which each spend a little less than ten percent. In 2008, the United States spent \$2.4 trillion, and without significant changes, this is forecast to grow to \$4.3 trillion by 2018. As a point of comparison, the entire GDP for North Dakota is only \$31 billion.

Health care spending produces many positive economic effects: it provides jobs and income, it serves as an anchor for rural economic development, and it produces local economic resources through bank deposits and financial instruments that in turn

contribute to local loans and investments. However, the negative implications – such as the rapid increase in health insurance premiums that leads to more and more businesses dropping insurance coverage or offering less generous plans – are competing with the positive implications. In some cases, farmers take insurance plans with very high copayments and deductibles (out-of-pocket costs) in order to secure farm operating loans. Many farmers rely on the insurance provided through off-the-farm employment (about 52 percent of N.D. farmers). Twenty-five percent of North Dakota farmers draw down financial resources (such as savings, retirement funds, or borrowing against the farm or ranch) to cover their families' health care costs. About ten percent of North Dakota farmers do not have insurance, and almost 50 percent spend more than ten percent of their income on health care in a year.

In addition, rural areas face other significant health concerns that revolve around the structure and system of health care delivery. These include an adequate number of trained health professionals; the financial viability of health facilities such as hospitals, clinics, ambulance units, nursing homes, and others; and quality of care improvements.

Rural North Dakota faces severe health workforce issues. According to federal statistics, 81 percent of the state is a federally designated primary care health professional shortage area (this includes family medicine, which is the most common type of rural physician) and about 95 percent is a mental health shortage area. Research by the Center for Rural Health shows a need for 44 family medicine physicians in the state and 271 vacancies for physicians, nurses, clinical lab, mental health, and radiology technicians.

Additional tracking of nursing in North Dakota, completed by the Center for Rural Health, indicates that while future statewide supply for registered nurses appears adequate, there are distribution issues because 17 rural counties have fewer RNs than the national average. North Dakota Job Service projects a demand exceeding 10 percent for pharmacists, occupational therapists, physical therapists, medical or clinical lab technicians, nurses, and physician assistants. Health workforce is a chronic structural concern. Health reform must improve options for training and education, create new incentives to inform and attract youth into the professions, create opportunities for mid-career changes, and empower rural communities to be more responsible in creating their own unique solutions.

North Dakota's rural health facilities contend with

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serious issues affecting their ability to keep operating. We have seen some closures and consolidations involving clinics, home care, and ambulances. One rural hospital closed earlier this year. Most of the state's 38 rural hospitals are losing money, with operating margins of -1.65 percent in comparison to a national rate of about +3.5 percent. Our urban hospitals – which are integral to rural hospitals because of the extensive networking in North Dakota – are experiencing payment threats as well. We also have challenges, yet opportunities in adjusting to new technologies, such as telemedicine. We do have a strong and growing tele-pharmacy system, but we need to expand access for tele-mental health and tele-home care. From a health policy perspective, we need to see enhanced and stable reimbursement to rural health facilities. A significant reason why our Congressional delegation have been critical of some of the health reform measures (and have voted against some of them) is because they may actually do harm to our North Dakota facilities by exacerbating already inadequate reimbursement.

Health reform must also foster more flexibility in organizational arrangements and structures. We need to be less concerned with what a facility is called or how it is classified and more concerned with flexible models that meet local access and quality needs. We need to stretch our imaginations and in some cases mix-and-match our options. For example, in some communities if the structural and regulatory requirements are too constraining for a rural hospital to be sustainable and a clinic structure is not comprehensive enough in service offerings, we need the flexibility to have expanded clinics with emergency care, observation beds, sliding fee payment

scales, and access to mental and dental services. Something along the lines of the federally sponsored Frontier Extended Stay Clinic (FESC) demonstration model in Alaska is an option to review. Flexibility and creativity for service arrangements and levels of care coupled with improving care quality and patient outcomes are overarching rural health goals – they need to be health reform elements.

The reason we as a nation are taking on this huge struggle is a desire to see improved health conditions for all Americans. Health reform, to be significant, must also produce incentives for health promotion and wellness, and continue the movement of linking provider reimbursement with medical outcomes. Rural Americans, including rural North Dakotans, do not seek better health care than found in other places. They do, however, have a right to expect health care that is on par with urban areas. Rural America must be part of the debate.

For rural Americans, having some form of health insurance coverage is critical; however, if we do not have health professionals providing care, sustainable health institutions offering a physical location for that care, assurances of care quality, and efforts to improve the population's health status, then improving the ability to pay for services that cannot be obtained in rural North Dakota does not actually create health reform. We address only half the problem. Yes, finding options to help Americans pay for health services and health care is a fundamental element of health reform, but so, too, is strengthening the health system by addressing long-term systemic problems like health workforce, facility viability, and improved care quality. We need more flexibility in testing new models of delivery, and we need to trust rural Americans in developing systems and approaches that best meet their needs.



***Special Order of Business
adopted July, 2009 by the
NDFU Board of Governors***

The ever-increasing costs of health care are a primary concern for our organization. Nearly 52,000 North Dakotans are uninsured, many of whom are rural residents. This is unacceptable.

Health care costs and availability have reached its critical mass within the United States. North Dakota Farmers Union believes a leading solution is a public option, and the time is now to implement such a plan.

NDFU believes that an affordable and comprehensive public option should be developed that will enable all citizens access to a health care plan. We call on our congressional delegation to lead the reform initiative of our current health care system and ensure that all Americans, especially rural Americans, have access to health care.