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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. report	Speaker Profiles (James Sparks) (1 page)	n.d.	P6/b(6)
002. report	Panel Profiles (Deborah Russell, Jane Sauvie) (partial) (2 pages)	n.d.	P6/b(6)
003. report	Speaker Profiles (Stephanie Michrina) (partial) (1 page)	n.d.	P6/b(6)
004. report	Panelist Profiles (Penny Crawley) (partial) (1 page)	n.d.	P6/b(6)

COLLECTION:
Clinton Presidential Records
Domestic Policy Council
Carol Rasco (Meetings, Trips, Events)
OA/Box Number: 4591

FOLDER TITLE:
Conversations on Health - Robert Wood Johnson Foundation 3-22-93 Detroit [1]

rw139

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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CONVERSATIONS ON HEALTH
The Robert Wood Johnson Foundation
Detroit, MI
Monday, March 22, 1993

TABLE OF CONTENTS

PANEL 2 - PEACE OF MIND (Continued)

PANEL 3 - HEALTH CARE PROBLEMS FACING INDUSTRIAL REGIONS

EVENTS

HEALTH CARE TALKING POINTS

Summary

- Americans are getting killed by skyrocketing health care costs. What you're charged for health care is rising four times faster than your wages. That doesn't make sense -- and it threatens your family's future and the future of every business, large and small.

- President Clinton is committed to fundamentally reforming our nation's health care system. The Clinton plan will control your health care costs and provide security to every American family. We will preserve what is best in the American system -- the highest quality medical care in the world and the individual's right to choose a doctor.

- Within days of taking office, President Clinton established the Task Force on National Health Care Reform, chaired by First Lady Hillary Rodham Clinton, to develop a comprehensive health care reform proposal. Hundreds of health care experts -- doctors, nurses, professors and businesspeople -- have been brought in from around the country to work with officials from government agencies and White House staff in a series of policy working groups that have been set up to advise the Task Force. In addition, diverse panels of consumers and health care professionals will be brought in regularly to advise the working groups as they develop their recommendations.

- Powerful lobbies and special interests are already lining up to defeat any plan we develop. They oppose change because they profit from the waste and inefficiency of today's system. But we are committed to breaking the gridlock.

- The American people demand and deserve change now. Washington can delay no longer. Interest groups can obstruct us no longer. Without immediate reform, the annual cost of health care for American families will more than double by the end of the decade -- to a whopping $14,000 per family -- while workers will lose an anticipated $650 increase in their incomes.

- It won't be easy and it won't happen overnight. But we will stand with you and take on the special interests. No American will feel secure again unless we bring health care costs under control now -- and make it possible for your family to get ahead again.

Goals

The Clinton health reform proposal will:

- Control the rapid spiralling of your health care costs.
- Provide security and peace of mind, so that you don't have to worry about losing your insurance when you change jobs or being denied coverage because you're sick.
- Root out fraud and overcharges.
- Simplify the system and reduce paperwork.
- Maintain the highest quality medical care in the world and preserve your health care choices.

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Divider Title: A

Conversations on Health: A Dialogue with the American People
The Robert Wood Johnson Foundation
Dearborn, Michigan
Monday, March 22, 1993

10:00am	Welcome and Opening Remarks -- Steven A Schroeder, M.D., President RWJ
10:20am	Opening Remarks -- Mrs. Clinton

PART I -- CONTROLLING COSTS

10:30am	• Andrea Hayoub-Welborn, Warren, MI
	• Frederico G. Mariona, M.D., Southfield, MI
	• James Sparks, Muskegon, MI
10:50am	Discussion
11:40am	BREAK

PART II -- PEACE OF MIND

11:50am	• Lisa Brown, Iron River, MI
	• Jannet Edison, R.N., Detroit, MI
	• Stephanie Michrina, Metamora, MI
	• Giles Bole M.D., Ann Arbor, MI
12:10pm	Discussion
1:05pm	LUNCH
	Box Lunches can be picked up in hallway outside of room.

PART III -- CHALLENGES FACING INDUSTRIAL REGIONS

1:55pm	*TOPIC A: KEEPING LARGE BUSINESS COMPETITIVE*
	• Peter Pestillo, Grosse Point Farms, MI
	• William Hoffman, Ph. D., Detroit, MI
2:10pm	Discussion

2:35pm	*TOPIC B: CHALLENGES FACING CITIES*
	• Cynthia Taueg, Detroit, MI
2:40pm	Discussion
3:00pm	*TOPIC C: KEEPING SMALL BUSINESS GOING*
	• Bonnie Dellinger, Bloomfield Hills, MI
3:05pm	Discussion
3:25pm	Closing Remarks by Mrs. Clinton and Dr. Schroeder
3:50pm	Adjourn

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Divider Title: 3

STATEMENT OF PURPOSE

As the largest philanthropy in the nation devoted exclusively to supporting projects in health care, The Robert Wood Johnson Foundation has been involved over the past 20 years in seeking to improve the health and health care of all Americans, committing more than $1.3 billion during that period.

We come to these sessions with no preconceived notions on solutions (indeed, it would be premature to focus on solutions today) and with no illusions that the problems are simple ones or will have simple solutions. The Foundation's sole objective in these next few weeks is education: of ourselves, our policymakers at all levels of responsibility, and, most importantly, the American people.

If the experience of the Foundation over the last 20 years has taught us anything, it is that the problems facing the American health care system can best be addressed by a fully informed citizenry determined to work together to see that the wonders of American medicine, the envy of the world, are available to all.

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Divider Title: 4

OPENING REMARKS
Robert Wood Johnson's Conversations on Health
Detroit, MI
March 22, 1993

- I would like to begin by thanking the Robert Wood Johnson Foundation for inviting me to participate in this forum. For over twenty years, the Robert Wood Johnson Foundation has provided leadership and vision on the crucial issue of health care reform.

- Today, they have provided a wonderful opportunity for all of us to gather around one table and talk to each other: about our concerns, our fears, our ideas and our hopes for the health care system of the future. With your help and advice, we will work together to provide a solution to the crisis in America's health care system that has been Robert Wood Johnson's goal for the last two decades.

- I am very happy to be in Michigan today, listening to your stories. I also wish to thank Senator Don Riegle and Senator Carl Levin, Congressman John Dingell -- who's kind enough to host us in his district today -- and Governor John Engler.

- Comments about Florida/Iowa hearings: how they went, a story, etc...

- The American people want fundamental health care reform. The question is not whether we will have health reform this year. We will have health reform this year. The American people demand it and deserve it.

  The question is how to change the system so that it works for all Americans. And this is where we need your suggestions, your ideas, and, most importantly, your help.

- Groups that have opposed health care reform for years have finally agreed that our health care system needs fixing now. In the past few weeks, the American Medical Association and the Chamber of Commerce has announced their support for change.

- The time for more talk and more studies is over -- the time for action is now. We must act -- to control soaring health care costs and provide security to every American family.

OPENING REMARKS (Continued)
Robert Wood Johnson's Conversations on Health
Detroit, MI
March 22, 1993

- Without action now:
  - every Michigan family will see their health care costs double -- to over $9,000 by the year 2000.
  - the cost of health care per car for U.S. manufacturers, which was $1,086 in 1990 and only $552 for Japanese auto makers, will continue to climb -- further hurting our country's competitiveness.
  - spending on health by businesses, which rose 62 percent from 1985 to 1990, will continue to rise.
  - every small business in Michigan will continue to see their premiums jump 20 and 30 percent each year.
  - health will continue to be the major issue in labor negotiations just as it was in 83% percent in 1990.
- We have been working day and night over the last few months on possible solutions to this national crisis. We have met with over 300 groups -- representing doctors, nurses, social workers and small businesses. We have received and read 30,000 pieces of mail. I have traveled to cities and towns across the country to talk about health care.
- And now I look forward to the opportunity to hear from you -- the American people. You are the reason we are all here. It is you who must guide this process -- because it is your future and the future of your families which is at stake.

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Divider Title: 5

CONVERSATIONS ON HEALTH

Dearborn, Michigan
March 22, 1993

PART I: CONTROLLING COSTS

SPEAKERS

Andrea Hayosh-Welborn
Dental Hygienist
Warren, Michigan

Federico G. Mariona, M.D.
Chairman
Michigan Section ACOG
Providence Hospital
Southfield, Michigan

James Sparks
Muskegon, Michigan

PANELISTS

New way of thinking →

Managed care: Must do →
- Consumer ed.
- physicians / other provider ed.

Delores F. Baker, M.D.
Associate Medical Director
Comprehensive Health Services, Inc.
Detroit, Michigan

Frank Garrison
President
Michigan AFL-CIO
Lansing, Michigan

Judy Gula
President
Michigan Home Health Association
Sterling Heights, Michigan

Linda Jolicoeur
President
Target Equipment Leasing, Inc.
Southfield, Michigan

Walter Maher
Director of Federal Relations
Chrysler Corporation
Washington, DC

Glad we're looking at it as a systemic issue, not a fragmented one.

Patricia Meade, R.N.
Coordinator
Teen Health Clinic
Detroit, Michigan

Marjorie J. Mitchell ★
Chair
Michigan Universal Health Care Access Network
Lansing, Michigan

Mark Novitch, M.D.
Vice Chairman
The Upjohn Company
Kalamazoo, Michigan

Thomas C. Payne, M.D.
President
Michigan State Medical Society
East Lansing, Michigan

Concerned on malpractice w/not only costs but recruitment of MD's

Deborah Russell ★
Kalamazoo, Michigan

Jane Sauvie
Saginaw, Michigan

Gail Warden
President and CEO
Henry Ford Health Services
Detroit, Michigan

SPEAKER PROFILES

PANEL I: CONTROLLING COSTS

Andrea Hayosh-Welborn, Dental Hygienist, Warren, Michigan

Andrea Hayosh-Welborn graduated from dental hygiene school ten years ago and has worked at the same office ever since. Her insurance costs are not fully covered by her employer, and her husband, a small business owner, has a policy which covers only him. As a result, she purchases insurance for herself and her 6-year old son. She has seen her premiums rise an average of twelve to fifteen percent every six months, and in an effort to limit her costs, she was recently forced to change carriers and is continuing to look for more affordable insurance.

Dr. Federico Mariona, Chairman, Department of OB/GYN, Providence Hospital

Dr. Federico Mariona was recently named Chairman of Department of Obstetrics and Gynecology at Providence Hospital in Southfield, Michigan. He was previously a professor of OB/GYN at Wayne State University, in Detroit. Mariona has received many grants to study a variety of issues, ranging from preterm birth prevention to attempting to identify mothers who are likely to give birth to premature infants.

A native of Argentina, Dr. Mariona has been in the Detroit area since 1968. He will address the issues and costs that face physicians in the practice of defensive medicine.

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PANELIST PROFILES

PANEL I: CONTROLLING COSTS

Delores F. Baker, M.D., Associate Medical Director and Chief, Department of OB/GYN, The Wellness Plan

The Wellness Plan is a Detroit-based health maintenance organization, providing care primarily to Medicaid-eligible, African American women of childbearing age and their children. Dr. Delores Baker serves the organization in both administrative and clinical capacities. The program has received a $1 million grant from the State of Michigan to develop a demonstration program designed to increase access to pre-natal and post-natal services. Dr. Baker received her M.D. from the University of Colorado and completed her internship and residency at Detroit's Sinai Hospital.

Frank Garrison, President, Michigan AFL-CIO

Frank Garrison has been involved in the Michigan labor movement for over 35 years, starting as a committeeman for his UAW local in Saginaw to now representing more than 650,000 workers as president of the state federation. He has held a wide range of posts including executive director of the Michigan UAW Community Action Program. He is vice chair of Blue Cross/Blue Shield of Michigan and has served on numerous boards including the Governor's Council on Human Investment and the executive committee of the Democratic National Committee.

Judith Gula, Executive Administrator, Community Home Care

Judith Gula is the Executive Administrator of Community Home Care, a division of Medco Health Care Services, Inc. Working in conjunction with the state and national home health care industry associations, she focuses on promoting a unified voice for home care, assuring the delivery of quality patient care and assuring that home care is a critical component in health care reform. She is the current president of the Michigan Home Health Association and a member of the Board of Directors of the Michigan Foundation for Home Care.

Ms. Gula, a Michigan native, has a bachelor's degree in nursing from Mercy College and is currently pursuing a Masters in Health Care Administration. She has over 20 years experience with community health and home care issues.

Linda Jolicoeur, President and Owner, Target Equipment Leasing, Inc.

Linda Jolicoeur runs Target Equipment Leasing, a small business with eight employees. Ms. Jolicouer has struggled to find and afford insurance that covers all of her employees, including those with pre-existing conditions. Her husband recovered from Hodgkins disease over 22 years ago. Jolicoeur is active in several professional organizations including the Michigan Chapter of Women in Equipment Leasing. She is a member of the Board of Directors of the local chapter of The National Association of Women Business Owners and serves on their national Health Care Committee.

Walter Maher, Director, Federal Relations, Chrysler

Walter B. Maher is the Director of Federal Relations for Chrysler Corporation. He joined Chrysler in 1963 and has held a number of positions in the corporation including Director of Employee Benefits for nearly ten years. He is a member of the Board of Directors of the Washington Business Group on Health and is actively involved with the National Leadership Coalition for Health Care Reform. He served as a Commissioner on the Physician Payment Review Commission from 1989 to 1992, was co-chair of the Governor's Task Force on Access to Health Care for the state of Michigan and a member of the Institute of Medicine's Council on Health Care Technology.

Patricia A. Meade, Coordinator, Hutchins Middle School Teen Health Center

Patricia Meade is a Master's level nurse who is responsible for a teen health clinic based in Detroit's Hutchins Middle School. Her work has brought her into contact with health and social problems facing inner city youth, including adolescents' lack of access to basic preventive care and the growth of violent behavior among young girls.

Ms. Meade is a member of the American Public Health Association, the Michigan Nurses Association, and the Detroit Black Caucus of Health Workers. She is also a lieutenant in the U.S. Army Reserve, Army Nurse Corps.

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Majorie Mitchell, Executive Director, Association for Retarded Citizens/Michigan

As Executive Director of the Association for Retarded Citizens of Michigan, Marjorie Mitchell oversees a network of chapters which promote the concerns of the disabled through various advocacy, education and monitoring activities. Additionally, Mitchell is the chair of the Michigan Universal Health Care Access Network (MichUHcan), a coalition of diverse interest groups representing senior citizens, disability groups, women's and religious issues, unions and citizens. MichUHcan supports health policies that improve access, control costs and ensure quality care to all individuals.

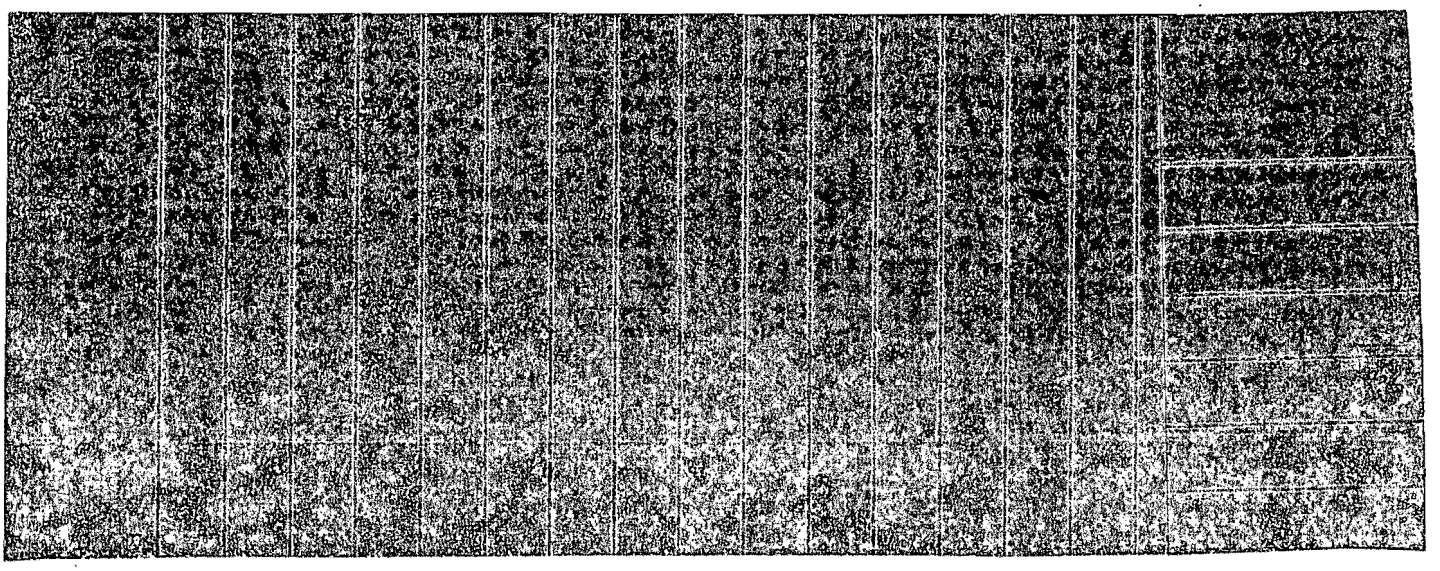
Mark Novitch, M.D., Vice Chairman, Upjohn Corporation

Dr. Mark Novitch, as Vice Chairman of the Board of Upjohn, is responsible for a number of divisions of the Kalamazoo-based pharmaceutical firm. He oversees pharmaceutical control, regulatory affairs, strategy and public relations. Prior to joining Upjohn in 1985, he was in the Food and Drug Administration, serving in numerous capacities including Acting Commissioner from September 1983 to July 1984.

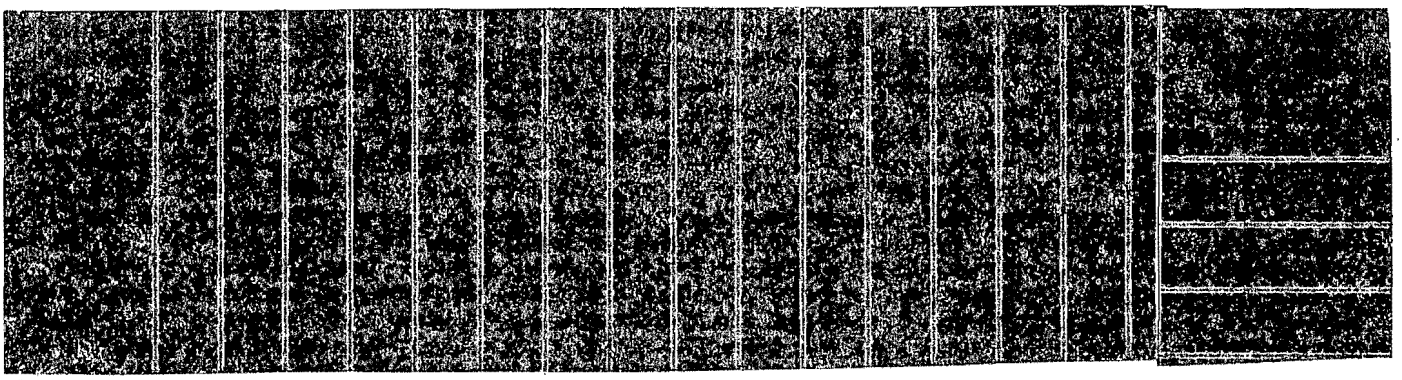
Thomas C. Payne, MD, President, Michigan State Medical Society

Thomas C. Payne is a radiologist from Lansing. His group practice serves several hospitals in the mid-Michigan area. He currently serves as the President of the Michigan State Medical Society, an 11,500 member organization of Michigan physicians. As President of the Society, Dr. Payne has been a leading spokesman on the issue of physician-assisted suicide and has launched and led a campaign to promote physician awareness and understanding of domestic violence.

Deborah Russell, Parent Advocate and consumer



Jane Sauvie, Saginaw, Michigan



Gail Warden, President/CEO, Henry Ford Health System

Mr. Warden is the President and CEO of the Henry Ford Health System, the largest health system in the Detroit area. He also directs the Henry Ford Medical Group, an 800-member multispecialty physician group practice with a 35-site ambulatory care network which records nearly 3 million outpatient visits annually. He oversees the Henry Ford, Cottage and Wyandote Hospitals, two nursing homes, and the Maplegrove Substance Abuse Treatment Facility. Among his accomplishments are the introduction of a regional planning process, instrumental in responding to changes in the environment and guiding resource allocations. He was also involved in creating a joint venture between Henry Ford and Mercy Health Services to optimize health care services delivery to residents of Detroit's tri-county area.

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Divider Title: 6

HEALTH CARE COSTS

Message: Urgency. It is important to stress what these costs mean for American families and business; the consequences of inaction; and why we must act now.

COSTS TO FAMILIES

- **American families** are getting killed by skyrocketing health care costs.
  - Health care spending per capita has skyrocketed from $1,063 in 1980 to $3,160 in 1992 -- a 197% increase. [CRS based on HCFA and Bureau of Economic Analysis]
  - During the last decade, a typical Michigan family's health payments rose 257 percent faster than wages. [Democratic Policy Committee]

COST TO BUSINESS

- **Small businesses** are hit proportionally harder by these rising costs than are large businesses. **Small business** premiums are high to begin with and drastically increase if one employee falls ill.
  - Small businesses have experienced annual health benefit cost increases of 20 to 50% recently. In 1991, one-third of small business owners experienced health care cost increases of more than 25%. [Washington Post, 1/26/93, Arthur Andersen, 7/92]
- **Large businesses** suffer too under added costs to their products.
  - American Telephone and Telegraph spends $3 million a day on employee health benefits. [Christian Science Monitor, 11/21/91]
  - For the first time in American history, health care costs exceed business after-tax profits. [Health Care Finance Review, Winter 1991]
  - Health benefits consume 8% of payroll today. Left unchecked, they will consume as much as 17% by the end of the decade. [Karen Davis, Johns Hopkins University, 1992]

THE CONSEQUENCES OF INACTION/WHY WE MUST ACT NOW

- **Families:** Rising at four times the rate of wages, health care costs threaten to bankrupt the families of this nation. **We must act now** to free American families from the burden of health care costs.

  - Without reform, experts estimate that the annual cost of health care for an American family will more than double by the end of the decade -- to a whopping 14,000 per family -- while workers lose an annual $655 in income. [Families USA and OMB]

  - In 1980, a typical Michigan family spent $1,879 on all its health care. In 1991, the same family spent over $4,569 and, by the year 2000, it can expect to spend over $100,000 -- a 435% increase from 1980! [Democratic Policy Committee]

- **Jobs:** These costs are passed on to consumers stagnating the economy, slowing job growth and hurting our ability to compete and win.

  - Failure to adopt a cost-control strategy could result in the loss of 1.5 million jobs over the next five years. [Ken Thorpe, University of North Carolina, 8/92]

- **Business/Workers:** If health care costs and wages continue to increase at their current rates, a worker's salary will soon seem like a fringe benefit to his/her main source of compensation -- health care insurance.

  - In 1980, Michigan businesses spent over $3.8 billion on health care. By 1991, this number had increased by more than 175% to over $10.6 billion and is expected to reach over $21 billion by the year 2000 -- a 450% increase from 1980! [Democratic Policy Committee]

  - Some estimate that, by the year 2000, the average employer could be paying $20,000 a year for each employee's health benefits. [A. Foster Higgins cited in Christian Science Monitor]

  - Workers have lost 58 percent of wage increases since 1980, and will lose 100 percent in coming years, because of rising health benefit costs for employers. [Henry Aaron, Brookings Institution, 1992; President's Advisory Council on Social Security, 12/91]

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Divider Title: 7

WHY THE NATION IS CONCERNED

Theme 1:

The continued rise in U.S. health care costs is the biggest factor motivating health care reform. High health care costs threaten everyone, including:

a. Workers who must pay more out-of-pocket or who have lost family coverage

If health cost inflation is not brought under control, Americans will be devoting more than $1 of every $6 they earn to health care by the year 2000.

Working families could have increased their personal savings by nearly $12,000 from 1980 to 1992, if health care cost inflation had been held to the economy-wide level.

More and more employers have dropped coverage for dependents in an effort to reduce their costs. From 1982 to 1988 the proportion of medium- and large-sized employers paying the full costs of dependent coverage fell 25%.

b. Workers afraid to change jobs and lose coverage and

Entrepreneurs afraid to strike out on their own, unable to obtain coverage

One in five Americans say they or a family member are locked in their jobs because new work offers limited or no health insurance.

c. Retirees seeing their health benefits cut back or eliminated

If current trends continue, the Medicare trust fund is projected to be exhausted in the year 2002.

At least two dozen U.S. companies have abandoned health benefits for at least some of their retirees.

Two-thirds of employers have made changes to their retiree medical plan in the last two years or intend to make changes by 1993. The most common changes are raising retiree contributions (47% of employers making or intending to make change), increasing cost sharing (40%), and tightening eligibility requirements (21%).

d. People with serious diseases like AIDS who see their health benefits disappear

e. The elderly who are today paying as much -- or more -- for health care out-of-pocket than before Medicare

f. Businesses who see profits and U.S. competitiveness threatened

g. Labor unions who see potential wage increases eaten up by rising health benefits costs

From 1986 to 1992, total real compensation (wages and fringes) of American workers was constant. Actually, wages and salaries fell, but the rising cost of fringe benefits made up the difference.

h. And the traditionally vulnerable groups, the poor and uninsured

The number of uninsured Americans increased by 50 percent between 1980 and 1991 (from 24 million to 35 million people).

In 1991, 85% of the uninsured were employed or dependents of workers; only 15% were unemployed or not in the labor force.

More than half (53%) of all people in poverty are not covered by Medicaid.

Theme 2:

Health care costs government a lot, too.
-- federal, state, and local

Without significant health care reform, U.S. health expenditures are expected to top one trillion dollars by 1995 -- over $4,000 for every American.

In 1990, the United States spent $2,566 per capita on health care, compared to $1,770 spent by Canada, $1,486 spent by Germany, and $972 spent by the U.K. Health outcomes in the U.S. were at best comparable to those in other countries.

States spent an average of 13.6% of their total budgets on Medicaid in 1991.

Of 1991's health care expenditures, 38% went to hospitals; 19% to doctors; and 8% to drugs.

Between 1982 to 1989, physician income, adjusted for inflation, rose by 23%, compared to a 9% increase for all full-time male workers. Average physician income in 1990 was $164,000. Average income of surgeons was $236,000, compared to $103,000 for general practitioners.

Theme 3:

Rising health care costs impose tradeoffs on society.

> ***more money spent on health care means less for education, new jobs creation, the environment, or higher salaries***

If health care reform had been enacted in 1980, and cost containment achieved, the dollars we would have saved in 1992 could have:

Hired over 7 million public school teachers

-or-

Almost totally eliminated the amount added to the federal debt in 1992.

In the last decade, state spending fell for elementary, secondary, and higher education, welfare, and highways -- while rising 40% for health care.

Theme 4:

The "costs" problem depends on your perspective

> ***to policymakers it's the nation's nearly one trillion dollar annual health care bill***

> ***to the poor elderly, it's having to choose between buying medications and food***

> ***to physicians and hospitals, it has become a paperwork nightmare.***

When asked to list the top two problems in their respective countries' health care systems, more than half of the U.S. doctors (55%) mentioned access to care. In Germany and Canada, few did (5% and 1%).

More than 5 million Americans 55 and older say that they have to choose between buying food and paying for medication.

Almost half (44%) of physicians would be willing to forego 15% of their fees if delays or disputes in processing insurance forms were significantly reduced.

Theme 5:

The health care system itself poses implicit and explicit tradeoffs

> ***more high-tech care versus improvements in basic care or prevention***

> ***more affluent, better insured groups now receive more care than the poor and uninsured***

HIGH TECH

In 1991, the U.S. had four times as many magnetic resonance imaging (MRI) machines per million people than in the former West Germany, and seven times as many as in Canada.

PREVENTION

Only about half of all employer-based health insurance plans cover childhood immunizations.

Every dollar spent on measles immunization saves $11.90 in later medical costs.

Every dollar spent on prenatal care saves three dollars in health care costs.

Every dollar spent on smoking cessation saves $15.26 dollars over a working lifetime.

Theme 6:

The conclusion is that the problems are so widespread that fundamental reforms are needed to control costs.

Only 6% of the general public, 23% of physicians and 9% of corporate executives believe that only minor changes are needed to improve the U.S. health care system. An overwhelming majority believe that fundamental changes are needed.

Theme 7:

While we may need an overall management framework to control health costs, micromanagement approaches -- like multiple levels of claims review and excessive paper work -- may actually increase costs.

In many states, it costs physicians more to bill Medicaid than they receive back in payment for their services.

In 1987, insurers' administrative costs were twice as high in the U.S. as in Canada or the U.K. (5% of U.S. health spending, vs. 2.5% elsewhere).

Theme 8:

Costs-access-quality are intertwined.

INTERNAL MOMENTUM

Theme 9:

Our current health care system has its own momentum: training physician specialists or building and equipping huge medical centers virtually guarantees these capacities will be used.

In 1990, over 900 hospitals offered open heart surgery. One fourth of those hospitals do less than 50 Medicare cases per year; 200 cases is considered a minimum in insuring quality. (Medicare cases are usually about half the total)

35 cities had more than 5 hospitals performing open heart surgery.

Only 15% of senior medical students indicate a preference for a generalist physician career (1992).

70% of U.S. physicians are specialists.

Theme 10:

Recent studies indicate that American health care costs more than care delivered in European countries not only because we provide more services, but also because our "inputs," wages and prices, are higher.

Theme 11:

One central element of efforts to reduce costs is a commitment to rethink the types of physicians being trained. Over two-thirds of new physicians are specialists even though all evidence suggests we currently have too many specialists. Experience also shows that specialists charge more and prescribe more tests and procedures.

For every 100,000 Americans, we may spend at least $810,000 in unnecessary coronary artery surgery annually.

For every unnecessary bypass surgery -- at about $30,000 each -- we could pay instead for two full-time home health aides for a year.

EFFECTS ON HEALTH CARE DELIVERY

Theme 12:

Cost control will require changes in health care <u>delivery</u> not just the payment system, like

> ***fewer questionable surgical procedures***

> ***fewer complex diagnostic procedures***

> ***more generic drugs***

Nearly three-fourths of prescription drug expenditures (73%) are paid out-of-pocket.

In fact, reducing unnecessary care is the least "painful" path to cost reductions.

One commonly-cited source of unnecessary care is "defensive medicine" -- excessive ordering of tests and procedures by physicians in an effort to fend off malpractice suits. In fact,

> physicians' perceptions of the risk of being sued are about 30 times higher than the actual risk

> still, in response to this exaggerated perception, in the last 10 years, 90% of physicians have increased their time doing paperwork, and over 80% have increased the number of tests and procedures ordered

Theme 13:

Health care providers should have incentives to organize medical care in efficient delivery systems. The burden of inefficiency, fraud, and abuse should not be borne by taxpayers.

Physicians affiliated with managed care (employed by an HMO or employed by a physician group or other organization that contracts with an HMO, IPA, PPO) are more likely to report feeling that they could hospitalize patients, keep patients in the hospital, and order tests and procedures than physicians working in other settings.

Overall, affiliation with managed care has not caused many physicians to be unhappy with medicine as a career or to feel that they cannot practice quality medicine.

HMO physicians are least likely (71%) to believe they have the freedom to care for patients unable to afford fees, and physicians in managed care settings somewhat less likely than physicians not in managed care to believe they had this freedom.

Theme 14:

Fraud, waste, and abuse should be discouraged, but rooting them out won't generate enough money to fund a national health plan.

* 10% of non-elderly Michiganders are uninsured, compared to a national average of 17%.

* In 1990, Medicaid expenditures accounted for 14% of Michigan's total state expenditures.

* Michigan Medicaid costs grew 127% between 1981 and 1991. Health care costs for state employees grew 269%, and over 800% for school employees.

BROAD QUESTIONS

* What proportion of our national economy do we want to spend on health care?

* How much health care is "too much"? Is "too much" a function of the dollars spent or the kinds of services they are spent on?

* If we're spending too much, what are we willing to give up?

* What would providers be willing to trade off, in order to be relieved of some of their paperwork burden? (The "Hassle Factor")

* As the U.S. economy shifts away from heavy industry to smaller, information-age employers, does employment-based insurance still make sense? Is it the most affordable and efficient way to provide coverage?

* Does the amount of effort required to review all health service charges and eligibility and covered services save enough to warrant the resources needed to do it? Would a more selective approach that required review only for "high ticket" items (ie. surgery, long-term care) result in overall savings?

NARROW QUESTIONS

* Should we revitalize the public health infrastructure as part of health care reform?

* How much professional staff time is devoted to documentation, rather than patient care? In the nursing home? In the hospital? In the doctor's office?

* Are teaching hospitals' higher costs -- attributed to the expense of training residents, etc. -- justified, when we may have too many specialists already?

* Would it make sense to put Medicaid on a sliding income-based scale -- rather than all-or-nothing -- in order to try to reverse incentives not to work?

* People with disability insurance can lose benefits if they return to work. Can we change these "perverse incentives" under health care reform?

* Should health care reform include incentives for healthy lifestyles -- not smoking, wearing seatbelts, obtaining preventive services?

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Divider Title: 8

CONVERSATIONS ON HEALTH

Dearborn, Michigan
March 22, 1993

PART II: PEACE OF MIND

SPEAKERS

Lisa Brown
Iron River, Michigan

Jannet Edison, R.N.
Emergency Room Nurse
Detroit Receiving Hospital
Detroit, Michigan

Stephanie Michrina
Metamora, Michigan

Giles Bole, M.D.
Dean, Medical School
University of Michigan
Ann Arbor, Michigan

PANELISTS

Susan Adelman, M.D.
Pediatric Surgeon
East Lansing, Michigan

Vernice Davis Anthony
Director
Michigan Department of Public Health
Lansing, Michigan

Sandra Bruce Inered. hot pink suit
President and CEO
Mercy Community Health Care System
Muskegon, Michigan

Penny Crawley
Executive Director
Michigan Council for Independent Living
Lansing, Michigan

Deborah Cummings, ACSW LTC
Director of Social Work and Discharge Planning
McLaren Regional Medical Center
Flint, Michigan

Yvette Holloway
Owner
HSS Employees Unlimited
Flint, Michigan

Ron Nelson, P.A.
President
Health Services Associates
White Cloud, Michigan

Luann Eichler Nunnelly
Trenton, Michigan

Richard F. O'Brien
Vice President, Corporate Personnel
General Motors Corporation
Detroit, Michigan

Paul Policicchio
President
Local 79, Service Employees
International Union
Detroit, Michigan

Earl Rudner, M.D.
Southfield, Michigan

James Walworth
President
Health Alliance Plan
Detroit, Michigan

Withdrawal/Redaction Marker
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003. report	Speaker Profiles (Stephanie Michrina) (partial) (1 page)	n.d.	P6/b(6)

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Clinton Presidential Records
Domestic Policy Council
Carol Rasco (Meetings, Trips, Events)
OA/Box Number: 4591

FOLDER TITLE:
Conversations on Health - Robert Wood Johnson Foundation 3-22-93 Detroit [1]

rw139

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
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b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

SPEAKER PROFILES

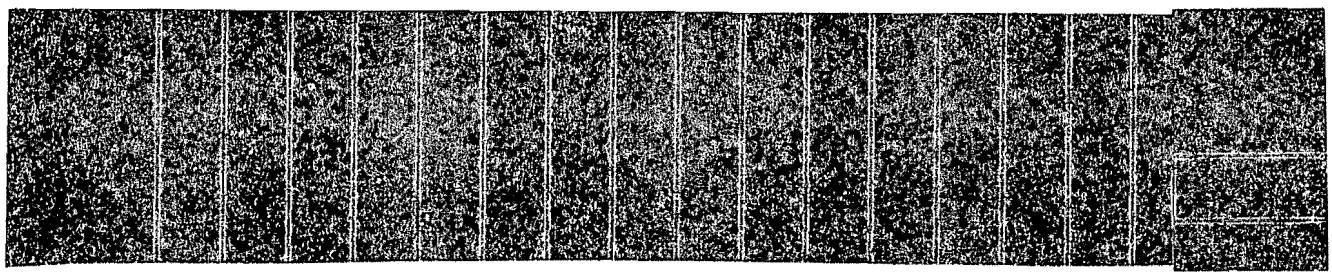
PANEL II: PEACE OF MIND

Lisa Brown, Iron River, Michigan

As a resident of a small rural community, Lisa Brown has experienced difficulty obtaining basic primary and pediatric care for herself and her family. The mother of two children, one with special health care needs, Brown often has to drive at least 90 miles to receive needed medical care. The only realistic alternative for Brown and other community residents when they need basic care is the local emergency room since, with only three doctors in town, residents often confront significant backlog when attempting regular office visits.

Brown lives in the small town of Iron River on the Upper Peninsula of Michigan with her two children, one of whom requires specialized eye care.

Stephanie Michrina, High School student



Jannet Edison, RN, Detroit Receiving

Jannet Edison has been an Emergency Room nurse at Detroit Receiving Hospital since she completed her nursing school studies in 1989. Ms. Edison will detail the costs and consequences of treating the numerous patients forced to use emergency rooms as their only source for primary care. Detroit Receiving treats patients with and without insurance, serving all income levels.

3 great examples

Wellness System is ruled out of balance

Giles G. Bole, M.D., Dean, University of Michigan Medical School

Dr. Giles Bole has been the Dean of the University of Michigan Medical School since 1990. He has been a professor of Internal Medicine as well as Chief of the Rheumatology Division and held a variety of other administrative posts at the Medical School. He has been affiliated with the University for over forty years, attending as an undergraduate and medical student and subsequently joining the faculty in 1959. Dr. Bole has served on many national and state boards and professional societies, particularly relating to rheumatism and arthritis.

3 bodies in last yr. have rec'd serious chgs. in funding of med. higher ed.

> rec'd a Nat. Bd. to set # of residencies but maintain sep. accred. boards

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
004. report	Panelist Profiles (Penny Crawley) (partial) (1 page)	n.d.	P6/b(6)

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OA/Box Number: 4591

FOLDER TITLE:
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PANELIST PROFILES

PANEL II: PEACE OF MIND

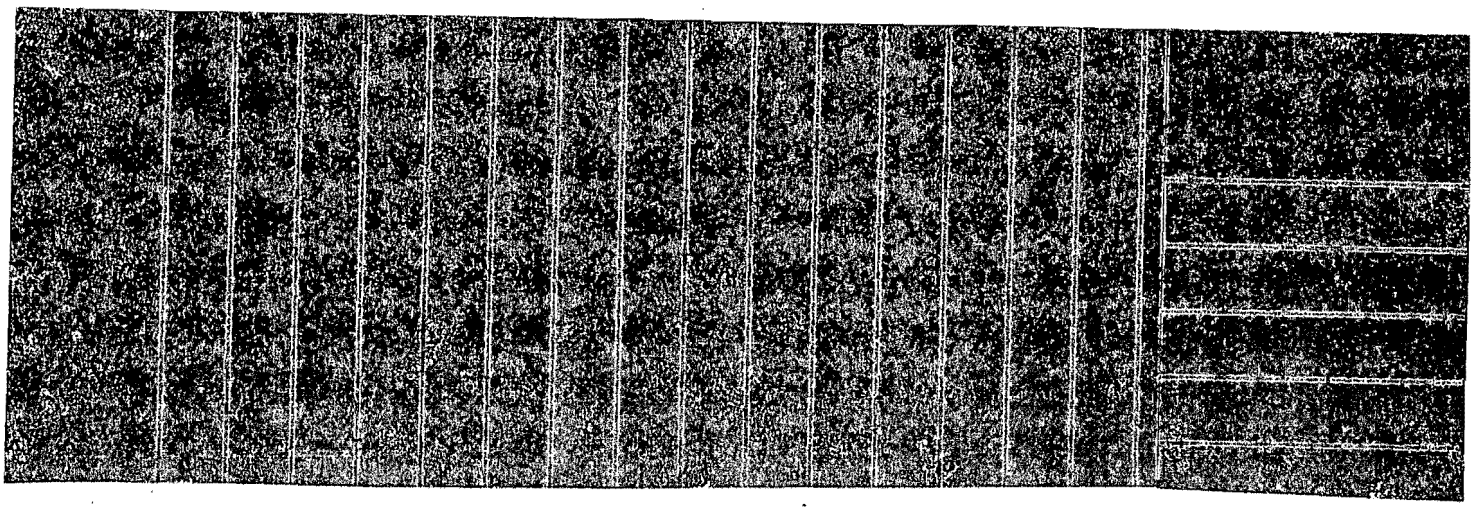
Susan Hershberg Adelman, MD

Susan Hershberg Adelman is a pediatric surgeon in private practice, with appointments at Children's Hospital of Michigan in Detroit and Oakwood Hospital in Dearborn. She is a past President of the Michigan State Medical Society and Wayne County Medical Society and a current member of the American Medical Association's Council on Medical Services. Dr. Adelman is a co-founder of the Jeffries Community Health Center for women in Detroit and a former member of the Steering Committee for the Michigan Medicaid Program's Physician Primary Sponsor Plan.

Sandra Bruce, President/CEO, Mercy Community Health Care System, Muskegon, Michigan

Ms. Bruce is the President and CEO of the Mercy Community Health Care System in Muskgegon. The Mercy Community Health Care System includes a 193-bed acute care hospital with tertiary services, a home health care agency, a rehabilitation company, a managed care entity, two retail pharmacies, and a rural health clinic. In her capacity as the leader of the Mercy Community Health Care System, Ms. Bruce devotes much of her time to the development and delivery of services to at-risk women including community education and clinical care.

Penny Crawley, Executive Director, Michigan Council for Independent Living



Deborah Cummings, ACSW, Director of Social Work and Discharge Planning, McLaren Regional Medical Center

Deborah Cummings supervises social work and discharge planning for the McLaren Regional Medical Center in Flint, Michigan. She has worked in numerous settings including a social services agency, a public school, and a public hospital. Ms. Cummings served as President of the Michigan chapter of the National Association of Social Workers and was NASW's Social Worker of the Year in 1987.

Vernice Davis Anthony, Director, Michigan Department of Public Health

Ms. Anthony is currently the director of Michigan's public health department. Before coming to this position, she served as the Assistant County Executive for Health and Community Services for Wayne County, where she developed model programs for infant mortality and indigent health care. Ms. Anthony, a registered nurse, has served in various administrative capacities at the local and state level, ranging from Chief of the Office of Policy Development and Evaluation for the Michigan Department of Public Health to serving on the National Advisory Council on Maternal, Infant and Fetal Nutrition.

Yvette Holloway, President and Owner, HSS Employees Unlimited

Ms. Holloway began a contract employment service business ten years ago with only one employee, herself. She has since expanded into new areas and employed approximately 220 people last year. She currently employs 60 people per week, although only 3 people receive health care benefits through her company. Because of increasing costs and the discontinuation of a state subsidized program, Holloway has been forced to offer employees either health coverage or a salary raise.

Ronald Nelson, P.A., Owner/President, Health Services Associates

Ron Nelson is a physician's assistant who both sees patients and assists communities in developing models for delivering primary care using non-physician providers. He maintains staff privileges at several Michigan hospitals and has served as an instructor and guest lecturer for several physicians' associates programs. Nelson is a past President of the American Academy of Physician's Associates.

Luann Eichler Nunnelly

Luann's sister Cheryl Eichler, a sufferer of Chron's disease, was a full-time employee at a convenience store, which did not offer health insurance. Cheryl had shopped around to try to purchase her own insurance, but was unable to afford any on her $12,000 salary. Because she had a job and a car, she was ineligible for Medicaid, and, in 1989, she was forced to resign from her job. Cheryl died in 1989 due to complications with Chron's disease, a disease with which many people are able to live, provided they receive appropriate medical care.

Luann Nunnelly is an employee of the city of Wyandotte. She and her three children have health insurance through her husband Robert's job at Seaway Hospital.

Richard F. O'Brien, Vice President, Corporate Personnel, General Motors

Mr. O'Brien was appointed vice president of General Motors Corporate Personnel in June of 1992. Prior to this, he was vice president of the Industrial Relations Staff and of Personnel Administration and Development. His current responsibilities include developing policies in specialized areas such as compensation planning and worldwide personnel administration. He has been with General Motors since 1966.

Paul J. Policicchio, President, Local 79, Service Employees International Union

Paul Policicchio head Local 79 of the Service Employees International Union, the largest union of health care workers in the state of Michigan. He was worked for the union since 1972 and has had a wide range of responsibilities including contract negotiation, training and political action. He is also a vice president of the SEIU International, a vice president of the Detroit Metropolitan area AFL-CIO and active in a variety of local civic and educational associations.

Earl Rudner, M.D.

Dr. Rudner is a dermatologist in private practice in Southfield, Michigan. He is a consultant to the Metropolitan Medical (HAP) Southfield Offices on managed care-related issues. In addition, Dr. Rudner serves as Co-Chief of Dermatology at Sinai Hospital and has taught in the Department of Dermatology and Syphiliogy at Wayne State University for the past 20 years.

James Walworth, President, Health Alliance Plan, and Senior Vice President, Henry Ford Health System

James Walworth is President of the Health Alliance Plan (HAP), created in 1979, which is Michigan's largest and oldest Health Maintenance Organization, serving approximately 400,000 residents in the Detroit metropolitan area. As a senior executive of the Henry Ford System, Walworth has responsibility for other managed care programs, including HAP's PPO subsidiary -- Preferred Health Plan -- and for the direction of the system's senior services and skilled nursing facilities.

Mr. Walworth has held many professional positions and appointments; he is past Chairman of the Board of Group Health Association.

PEACE OF MIND

Message: The Clinton Administration's reform proposal will provide security and peace of mind, so that you don't have to worry about being denied coverage because you're sick losing your insurance when you change jobs. We must **act now** to provide the peace of mind to all Americans who live in fear of losing their coverage. No American will feel secure again unless we bring costs under control -- and make it possible for families to get ahead again.

THE GROWING RANKS OF THE MIDDLE-CLASS UNINSURED

- As costs continue to skyrocket, today's uninsured are increasingly working, middle-class families.
  - Over one million (1.067) of those who lost health insurance in 1991 were Americans earning between $25,000 and $49,000. [Himmelstein and Woolhandler, The Growing Epidemic of Uninsurance, 12/92]
  - Seventy percent of the uninsured are above the poverty level. [OMB Director Darman, testimony to House Committee on Ways and Means, 10/91]
- Hundreds of thousands of Americans are losing their health care coverage each year.
  - 100,000 Americans move into the ranks of the uninsured each month. [Washington Post, 1/26/93]
  - Over 900,000 Michigan residents had no insurance in 1991 (non-elderly). [Democratic Policy Committee]
- And those who still have insurance have seen their benefits cut.

MIDDLE CLASS FEAR LOSING INSURANCE:

- Millions more live in fear that tomorrow they will be uninsured or, worse yet, uninsurable.
  - 61 percent of Americans worry a great deal that health insurance will become too expensive for them to afford. 48 percent of Americans worry that benefits under their current health care plan will be cut back substantially. [Kaiser/Commonwealth/Harris, 4/92]

- Millions more Americans are afraid to change jobs for fear of losing coverage.

  - Thirty six percent of Americans earning between $30,000 and $50,000 reported that they or someone in their household stayed in jobs they wanted to leave because they were afraid of losing their health care coverage. ["Health Benefits Found to Deter Job Switching," New York Times, 9/26/91]

PRE-EXISTING CONDITION EXCLUSIONS

- One of the most distressing flaws in our current system of health care is that **those in greatest need of care are least able to obtain it. Nowadays, insurance companies only provide insurance once they've made sure you don't need it.** We must demand that insurance companies change the underwriting practices which serve to avoid risk instead of provide insurance.

  - One in twenty Americans has been denied coverage for a pre-existing medical condition. [Kaiser/Commonwealth Harris, 4/92]

EMERGENCY ROOM CARE

- In many cases, the emergency room, the most expensive care in the world, delivers the treatment of last resort for the uninsured. Here people do not receive primary care or preventive care. They become more sick and require even more expensive care in the future.

  - Forty-three percent of the 99 million patients seen in emergency rooms in 1990 had minor ailments that could have been treated elsewhere. [Robert Wood Johnson Foundation]

- Uncompensated care increases costs to an already overburdened system. The cost of uncompensated care is shifted to those who do have health insurance causing them to pay more.

CHILDREN: IMMUNIZATION

- Nationwide access to health care and immunization for infants and toddlers is a key goal of health reform.
  - **A child in Miami, who had contracted bacterial meningitis, incurred over $46,000 dollars in medical bills. The disease could have been prevented with a $21 inoculation.** [Robert Wood Johnson]
  - Preschoolers are less likely to be immunized for DPT and polio today than they were 20 years ago. [Robert Wood Johnson]
  - 40% of two-year-olds in Michigan were not appropriately immunized last year. [Robert Wood Johnson]
- Nearly one third of Michigan's uninsured are children. [Detroit News, 3/5/93]

CHILDREN: PREVENTIVE CARE

- In inner cities, lack of insurance and access to primary care -- especially pre- and post-natal care -- leads to higher infant mortality and morbidity rates as well as high costs for preventable illnesses.
- **Detroit has the highest infant mortality rate in the nation.** [Detroit Free Press, 3/6/93]
- We must begin to refocus our health care system on preventing illness and injury, rather than just on treating them.

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Divider Title: 9

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Divider Title: 10

Theme 1:

We need to make the U.S. health care system more responsive to the needs and preferences of the people it serves.

An estimated 43 million Americans, living in inner city and rural communities, remain seriously medically underserved because of special needs or circumstances.

> They are overwhelmingly poor or low income, and many are children or women of childbearing age.

> Many are uninsured, but 60% already have some form of insurance (principally Medicaid).

> Many live and work in areas with too few providers of care.

> Others face serious non-financial barriers to care (such as language, homelessness, or physical disabilities), or have complex health problems, or are undocumented immigrants.

> They frequently depend on hospitals and emergency rooms for even basic care, because of severe shortages of appropriate primary health care services in their communities.

Theme 2:

Basic health services are the right of every American. At present, this means everyone must have some kind of insurance coverage; instead, even people with coverage feel threatened by the potential loss of their health insurance.

Two out of every three workers indicate they would choose health benefits if they could choose only one employee benefit. Pension benefits came in a distant second place.

61% of Americans are concerned that health insurance will become so expensive that they won't be able to afford it.

Half of insured Americans are worried that benefits under their current health plan will be cut back substantially.

Nearly 22 million Americans said that they themselves, someone else in their family, or both, had been refused health care during the last year because they didn't have insurance or couldn't pay.

22% of the uninsured who said their health was fair or poor did not contact a physician in 1989.

Theme 3:

Higher taxes, higher insurance premiums, and higher medical bills are the price all of us pay because 35 million Americans don't have health insurance. The uninsured are everyone's problem.

In 1991, hospitals spent 6% of their gross revenue -- $13.5 billion -- on care that was not paid for (uncompensated care).

People who live in the nation's 2,147 "medically underserved" counties have higher mortality and morbidity than do the residents of better-served counties. For example, had the rates for various conditions been the same in underserved counties as in non-underserved counties, each year:

> 39,000 fewer infants would be born at low birthweight and

> 4,601 fewer infants would die. Also, we'd have:

-- 46,309 fewer cases of immunizable diseases -- a 96% drop nationally

-- 38,687 fewer cases of hepatitis -- a 40% drop

-- 46,817 fewer cases of tuberculosis -- a 56% drop

PRIMARY CARE

Theme 4:

Insurance systems should assure access to primary care as well as hospital care. Access to primary and preventive care can both improve health status and reduce total health costs.

Poor preschool children are five times more likely to be hospitalized with asthma and four times more likely to be hospitalized with a severe ear, nose, throat infection than non-poor children. Most of these hospitalizations could have been avoided if appropriate ambulatory care were available.

Theme 5:

The nation needs reorientation toward the prevention of disease, injury, disability, away from high-tech "fixes."

Preschoolers are less likely to be immunized for DPT and polio today than they were 20 years ago.

Some 500,000 premature deaths a year and $22 billion are directly attributable to cigarette smoking and other uses of tobacco.

In 1988, 100,000 deaths and $85.8 billion in health care costs were linked to abuse of alcohol.

Estimates are that 25 to 40% of patients in general hospital beds are being treated for complications of alcoholism.

Drug abuse cost the system $58.3 billion in 1988 for care, treatment, and rehabilitation, as well as for lost productivity and crime enforcement.

Street and domestic violence add $5.3 billion to U.S. health expenditures.

About 400,000 people die each year by not using life-saving technology such as seat belts and smoke detectors

Theme 6:

Universal access to immunizations for infants and toddlers is a key goal of health care reform. Immunization is crucial to maintaining children's health. And, universal access to immunization is a possible strategy for better linking very young children to the primary care system.

Theme 7:

Our health care system needs to assure that more primary care providers practice medicine in rural and low-income areas, to prevent reliance on hospital emergency rooms for routine care.

43% of the 99 million patients seen in emergency rooms in 1990 had minor ailments that could have been treated elsewhere.

CHRONIC

Theme 8:

Individuals of all ages with chronic health care problems should not have to bear the total costs of their health care. Insurance systems should not be designed to deny or discourage coverage for the chronically ill.

Nearly half of the chronically ill say that the expenses from their health problems pose a financial hardship on their family.

Theme 9:

Access to home care support services for the chronically ill is a growing problem. Social choices are necessary to decide how much the chronically ill must rely on informal care from friends and family and how much we are willing to spend to provide formal home care services.

Currently, access to formal services is very uneven across the country. Extending access to home care for all individuals with chronic illnesses would be very expensive.

More than a third of the chronically ill say that it is more effort to use services than they are worth.

Nearly one-quarter of the population is very involved with the care of a relative or close friend who is limited in major activity because of a chronic condition

Two-thirds of people who needed assistance in all activities of daily living received no paid assistance in 1989.

Aetna Life & Casualty has reported a $78,000 per case savings from its Individual Care Management Program by using home care for victims of catastrophic accidents.

Theme 10:

Many important aspects of "health" and "healing" relate to a person's environment and the supports found there, like housing, transportation, or social services. The medical care/health insurance system cannot provide all of these. Yet, the health care system must work effectively across social domains to improve health for all.

SATISFACTION AND AUTONOMY

Theme 11:

People often feel cut off from the decisions made about their care. Better quality health care -- and fewer malpractice suits -- depends in part on better communication between doctors and patients.

A survey of people residing in 10 countries found that Americans are the least satisfied with their health care system.

A third of Americans are "very satisfied" with the "quality of their own medical care" in 1990, down from half in 1973.

Only a quarter of Americans are "very satisfied" with their arrangement for paying for medical care, compared with 40% 20 years ago.

Theme 12:

People need skills to help them take more responsibility for their own health care, including self-care, to use the health care system appropriately, and to know what question to ask regarding plans for their own (or a family member's) care.

Theme 13:

Critically ill people sometimes get more care than they really want. We need to apply the full court press of medical technology much more sparingly -- only to people who want and can benefit from it.

28% of all Medicare expenditures are used in the last six months of life.

PATIENT CHOICE

Theme 14:

Many Americans may prefer expensive fee-for-service arrangements for medical care. The extra costs of fee-for-service medicine should be borne by the individuals who choose it.

Over 90% of surveyed HMO members were satisfied with their primary care physician, but they prefer to receive their care in a physician's private office than in a health center.

Theme 15:

People who join HMOs and other systems of managed care should have the right to change systems when dissatisfied. The ability to "vote with your feet" is crucial to maintaining quality and responsiveness.

Physicians affiliated with managed care systems are more likely to feel that they have the resources to treat patients than physicians working in other settings, but they are less likely to feel that they have control over their work schedule.

* 11.7% of children in Michigan are without health insurance compared to a national average of 9.3%.

* 40% of two year olds in Michigan were not appropriately immunized last year.

* In 1990, 15% of the Michigan population lived in medically underserved areas.

* 4% of infants were born to women who received late or no prenatal care.

* 17% of Michigan residents are HMO participants.

* What do Americans want from health care reform?

* Are Americans satisfied with their interactions with the health care system?

* Do hospital patients and their families believe anyone cares about or listens to their wishes?

* How do we get -- and keep -- Americans involved in health care reform, a domain so coveted by high-stakes special interest players?

* Who do we want to entrust our personal health care to? "Choice" is not just an economic issue.

* Should "advance directives" be required in every state at the time of hospital admission, if not before, so that critically and terminally ill people do not receive more care than they and their families want?

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Divider Title: TA

CONVERSATIONS ON HEALTH

Dearborn, Michigan
March 22, 1993

PART III: CHALLENGES FACING INDUSTRIAL REGIONS

SPEAKERS

Peter Pestillo
Executive Vice President for Corporate Relations
and Diversified Business
Ford Motor Company
Dearborn, Michigan

William Hoffman, Ph.D.
Director
UAW Social Security Department
Detroit, Michigan

Cynthia Taueg
Director/Health Officer
Wayne County Health Department
Westland, Michigan

Bonnie Dellinger
R & R Management Company
Bloomfield Hills, Michigan

PANELISTS

Robert S. Bader
Executive Director
Wellness HIV/AIDS Services
Flint, Michigan

Wanda Ball
Flint, Michigan

Joan M. Ballentine, R.Ph.
Owner
Ballentine Pharmacy, Inc.
Deckerville, Michigan

David J. Campbell
President and CEO
Detroit Medical Center
Detroit, Michigan

Alma George, M.D.
Medical Director
Patient Care Management System, Wayne County
Detroit, Michigan

Tammy Honey
Clarkston, Michigan

James B. Kenney, Ph.D.
President and CEO
Greater Detroit Area Health Council
Detroit, Michigan

Barbara Ross-Lee, D.O.
Associate Dean for Health Policy
Michigan State University
College of Osteopathic Medicine
East Lansing, Michigan

Joseph M. Stewart
Senior Vice President, Corporate Affairs
Kellogg Company
Battle Creek, Michigan

Richard Weaver
Chairman
Michigan Senior Advocates Council
Scottville, Michigan

Richard E. Whitmer
President and CEO
Blue Cross/Blue Shield of Michigan
Detroit, Michigan

Beverly Wolkow
Executive Director
Michigan Education Association
East Lansing, Michigan

SPEAKER PROFILES

PANEL III: CHALLENGES FACING INDUSTRIAL REGIONS

Peter Pestillo, Executive Vice President, Corporate Relations, Ford Motor Company

As Executive Vice President of Ford, Peter J. Pestillo supervises Employee Relations, Governmental Affairs and the Dealer Policy Board. Mr. Pestillo joined Ford in 1980 and has held a variety of positions with the Corporation including Vice President for Labor Relations and for Employee and External Affairs. Before coming to Ford, he was vice president for employee relations at B.F. Goodrich and held industrial relations positions with General Electric.

William Hoffman, Ph.D., Director, Social Security Department, UAW

William Hoffman is the Director of the UAW Social Security Department. He is responsible for health care, retirement, disability and layoff income protection issues, both in the public policy and collective bargaining arenas. He has eighteen years of negotiating and program design and administration experience within the automobile, aerospace and agricultural implement industries and with numerous other companies across the U.S. and Canada. He is a director of two social research foundations, is an Adjunct Progressor of Sociology at Wayne State University and represents the UAW on several private and governmental boards and committees.

Bonnie Dellinger, Office Manager, R & R Management

Small business office manager Bonnie Dellinger deals with the difficulties of finding affordable insurance for a 55-person property management firm. She has been with R & R Management, which manages 3000 apartments in the Detroit metro area, for 32 years. R & R Management has found success in buying group rates with Blue Cross/Blue Shield of Michigan, but faces a continuous struggle with increasing costs. They cannot afford to offer family coverage for their employees.

Cynthia Taueg, Director/Health Officer, Wayne County Health Director

Cynthia Taueg has been the Director/Health Officer of the Wayne County Health Department since 1990. She is responsible for policy making, administration, and the operation of a local health program serving 1.1 million people, with a budget of $27 million. The programs and services that the Health Department oversees include: immunizations, communicable disease control, AIDS counseling and testing, school hearing and vision centers, family planning, WIC, prenatal care, pediatrics, air pollution control, emergency medical service coordination, and environmental protection.

Before joining Wayne County's Department of Public Health, Taueg worked at the Detroit Health Department's Public Health Center in administrative roles and as a public health nurse. She has served on several task forces, covering issues ranging from infant mortality to child abuse and neglect.

PANELIST PROFILES

PANEL III: CHALLENGES FACING INDUSTRIAL REGIONS

Robert S. Bader, Executive Director, Wellness HIV/AIDS Services, Inc.

Mr. Bader runs Wellness HIV/AIDS Services, a Flint-based program providing education and support services to persons with HIV and AIDS. In addition to his work as executive director, he is also Project Coordinator for the Genesee County HIV Task Force and a principal author of a work plan for the managed delivery of health care and social services for people affected by the AIDS virus in Genesee County.

Wanda Ball, Office Manager, Flint

Wanda Ball is the office manager of a small property management company in Flint, Michigan, which offers but does not pay for her health insurance. She cannot afford to purchase insurance on her limited family budget. She is a single mother with a 12-year old son. He receives free care at a local medical clinic which serves income-eligible children. She currently has no way of taking care of her own basic health care needs.

Joan Ballentine, Pharmacist/Owner, Ballentine Pharmacy

Joan Ballentine owns and operates a ten employee community pharmacy in Deckerville, Michigan, a town of 1,100. She regularly sees people with probems getting access to care, paying for their medications, and justifying third party reimbursements for drugs used to prevent potentially costly future illnesses. Ms. Ballentine is an active member of the Michigan Pharmacy Association and the National Association of Retail Druggists.

David J. Campbell, President/CEO, Detroit Medical Center

Mr. Campbell has been the President and CEO of the Detroit Medical Center since 1990. In the past, he served as the President of Allegheny General Hospital from 1984 to 1986, then was promoted to the office of Executive Vice President and Chief Operating Officer of Allegheny Health Services, Inc. He is currently a member of the board of directors of American Healthcare Systems, a member of the American Hospital Association's House of Delegates, and a Fellow of the American College of Healthcare Executives.

Alma George, M.D., Chair, Utilization and Management, Quality Evaluation Committee, Mercy Hospital

Dr. George is the Chair of both the Utilization and Management and the Quality Evaluation Committees of Mercy Hospital in Detroit, Michigan. She is a practicing general surgeon at Mercy Hospital. She was previously Director of Medical Education at Kirkwood General Hospital, where she was responsible for all resident training. She pioneered the first podiatry residency program for minorities in the Detroit area. She is the past president of the National Medical Association, and is currently a member of the American Medical Association and the Wayne County Medical Society.

Tammy Honey

Tammy Honey and her family receive health care benefits through Blue Cross/Blue Shield. Honey's insurance, obtained through her husband's work, is adequate coverage for her families present needs. In recent years, however, changes in their benefits plan have made it difficult to afford prescription medications since these are no longer covered. Fortunately, the family has not been dramatically impacted by the policy change to date. Although they are grateful for their existing coverage, the Honey's are concerned with the escalating cost of health care in this country. Mrs. Honey has been married 13 years and works at home raising their three children.

James B. Kenney, CEO, Greater Detroit Area Health Council, Inc.

Dr. Kenney runs the Greater Detroit Area Health Council, a health care coalition and community health planning agency with over 110 member organizations, focusing on the cost-effective allocation, management and use of health resources in southeastern Michigan. Before his current position, he was executive director of Mediqual, a firm specializing in quality management technologies for health care. He also served as executive director of the Minnesota Coalition on Health and was administrator in charge of health services for the Minneapolis Public School System. He is also the chairman of the National Business Coalition Forum on Health.

Barbara Ross-Lee, D.O., Associate Dean of Health Policy, MSU College of Osteopathy

A practicing family physician, professor and Naval officer, Ross-Lee is also the associate dean for health policy at her medical school alma mater, the Michigan State University College of Osteopathic Medicine. Through these diversified roles, Ross-Lee pursues her interests in health policy, nuclear medicine, education and women and minority health care issues.

In addition to her many publications and appointments, she is the director of the Family Medicine Residency Program and former president of the MSU Black Faculty and Administrators Association. Prior to graduating from MSU's College of Osteopathic Medicine, she received her master's in teaching special populations from Wayne State University where she also earned a bachelor's degree in biology and chemistry.

Joseph M. Stewart, Senior Vice President, Corporate Affairs, Kellogg Company

Joseph M. Stewart has been senior vice president - corporate affairs of Kellogg Company since September, 1988. He joined the company in 1980 as the director of the child nutrition programs in the Foodservice Marketing department of the U.S. Food Products Division. He later served as vice president for public affairs. Prior to working for Kellogg, he was director of food services for Howard University in Washington, D.C. Mr. Stewart is chairman of the board of the Battle Creek Health System and serves on numerous boards and advisory committees concerned with health and nutrition issues.

Richard Weaver, Chairman, Michigan Senior Advocates Council

Mr. Weaver retired as Superintendent of the Mason County, Michigan School system in 1986. For the last six years, he has been interim superintendent in several other districts in the State of Michigan. He now devotes all his time to his advocacy on behalf of senior citizens and their health concerns. He is the Chairman of the Michigan Senior Advocates Council, a state commission which monitors legislation of importance to seniors. He is also Chairman of the Mason County Council on Aging, an organization of senior citizens that oversees the delivery of senior services in the county.

Richard E. Whitmer, President and CEO, Blue Cross/Blue Shield of Michigan

Richard Whitmer has been President and Chief Executive Officer of Blue Cross and Blue Shield of Michigan (BCBSM) since 1988. BCBSM is a not-for-profit pre-paid health care plan, one of 73 BC/BS plans in the U.S.; it covers 4.3 million people under 2 million contracts and serves an additional 1.2 million elderly and disabled persons as Medicaid administrator. BCBSM, in partnership with two of the State's largest health systems, recently announced development of a new, regional managed care benefit delivery arrangement bringing together a prepaid health care plan with physicians, group practices, hospitals and employers to make health care accessible and affordable.

Mr. Whitmer is an attorney who was a partner in a Lansing law firm before joining BCBSM in 1977. He has served in various capacities with the State of Michigan, including legislative counsel to the Governor and Director of the Michigan Department of Commerce.

Beverly Wolkow, Executive Director, Michigan Education Association

Beverly Wolkow has been the Director of the Michigan Education Association (MEA) since 1981. The MEA represents 127,000 current and retired school employees. She is the first woman to head the organization. She has had an active career in education serving previously as President of the South Dakota Education Association, the executive director of the Student National Education Association in Washington, D.C., and the executive director of the Iowa Education Association.

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Divider Title: 12

HEALTH CARE: PROBLEMS FACING INDUSTRIAL REGIONS

Message: If American industries and the states whose economies depend upon them are to compete amd win again, we must reform a health care system which adds more than $1,000 to the cost of each American made car; threatens to take American businesses out of contention in the global economy; and costs American workers jobs and wages.

HEALTH CARE COSTS CAUSE AMERICA TO LOSE ITS COMPETITIVE EDGE

- Faced with skyrocketing health care costs -- costs our competitors don't have to bear -- American businesses struggle to make it in the highly competitive global economy.
  - Automakers spend over $500 more than the Japanese on each care they produce. In 1990, U.S. manufacturers spent $1,086 per car; Japanese auto makers spent only $552.
  - The U.S. spends **twice as much** on health care than the average total costs of the 24 industrialized countries that make up the Organization for Economic Cooperation and Development (OECD).
- These costs add dollar amounts to the price of American made products, and industrial states like Michigan suffer.
  - **Today, Ford Motors and GM spend more on health care than they do on steel.** [Ford Motor Co.]
  - In 1990, GM spent $3.2 billion in medical coverage for its 1.9 million employees and retirees. ["Condition Critical," Time, 11/25/92]
- Disputes about health care coverage have become the major cause of strikes.
  - In 1989, health care cutbacks were a major issue in 78 percent of all strike activity -- four times higher than the proportion in 1986. [Christian Science Monitor]

HIGH HEALTH PRICES COST WORKERS JOBS AND WAGES

- Companies struggling to compete and pay for health care coverage for their employees are unable to expand their workforce.

  - Ford's yearly health care costs have grown by nearly 800 percent over the last twenty years and health care costs have tripled as a percentage of payroll -- from 6% in 1970 to nearly 20% percent in 1991. [Ford Motor Co.]

  - The average company health plan cost per employee more than doubled from $1,645 in 1984 to $3,968 in 1992. [Robert Wood Johnson]

  - If health care costs had grown at the rate of the overall economy from 1980 to 1990, employers would have saved $1,015 per insured worker in 1992. [Robert Wood Johnson]

- Health care expenditures eat up wages; take a fat chunk out of paychecks; and consume a greater and greater percentage of take home pay of American workers.

  - Workers have lost 58 percent of wage increases since 1980, and will lose 100 percent in coming years because of rising health benefit costs for employers. [Henry Aaron, Brookings Institution, 1992; President's Advisory Committee on Social Security]

- For many workers, health care costs have caused real earnings to actually decrease since 1980.

  - **Average weekly wages** of production and non-supervisory workers adjusted for inflation, **fell** from $235 to $218 from June 1980 to June 1992. Rising health care costs were a central reason. [Bureau of Labor Statistics]

WORKERS AND RETIREES FACE SHRINKING LEVELS OF COVERAGE

- In the face of such evidence, fewer employers are offering to provide health care coverage to their employees and more Americans are losing their security.
  - Only 15 percent of new companies offered health benefits to their employees in 1992, compared to 23 percent in 1978. [Ken Thorpe, University of North Carolina, 8/92]
  - One and a half million fewer full-time workers receive health benefits directly through an employer today than 1988. [Ken Thorpe, University of North Carolina, 8/92]
- As hard economic times cut profit margins, many employers have been forced to cut or reduce health care benefits to retirees, leaving millions of Americans living in Rust Belt cities vulnerable to loss of health care coverage.
  - Higher costs will force more than half of U.S. employers to make significant changes in their benefit plans. Fifty six percent of those employers plan to change workers' health benefits. [Robert Wood Johnson]
  - Two-thirds of employers have made changes to their retiree medical plan in the last two years or intend to make changes by 1993. [Robert Wood Johnson]

RETIREE HEALTH BENEFITS

"The high cost of retiree health care benefits is having a disastrous impact on retirees and on businesses.." [Senator Donald Riegle, Senate Hearing on businesses cutting retiree health care benefits]

- Rust belt industries are plagued by ever increasing costs of retiree health benefits.
- Standard and Poors says GM will remain at a **"significant competitive disadvantage for the foreseeable future"** because of its huge pension and health care obligations to retirees. [Robert Wood Johnson]
  - **Retiree health obligations make up 70% of the book value of GM; 54% of Chrysler;** 38% of AT&T; **29% of Ford**; 14% of Boeing; and 8% of General Electric. [Robert Wood Johnson]

Note: Substantial relief of this problem would add an enormous amount to the costs of any health care plan. Under any scenario, we would only be able to absord a portion of the costs. As you know, there have been no decisions made with regard to this issue.