

Change sought in HMOs

Clinton is asked for more funds

Editor's note: This is the last part in a series on the changing role of Medicare HMOs in health care.

By Melinda Leader
Standard-Times staff writer

After one Medicare HMO's departure from the area, and the possibility of another following, state legislators and local advocacy groups are pushing for nationwide changes in Medicare funding.

U.S. Rep. Barney Frank and other representatives sent a letter to President Bill Clinton last week, addressing health care problems throughout the state.

Last week, Southcoast Health Systems announced it will not renew its contract next year with First Seniority, Harvard Pilgrim's Medicare HMO.

And negotiations between Southcoast and Secure Horizons, Tufts Health Plans' HMO, appear to be at a standstill, with neither party forecasting a decision in the immediate future.

Southcoast Health Systems owns St. Luke's, Tobey and Charlton Memorial hospitals.

The source of the dilemma, local politicians, hospital administrators and HMOs agree, is major Medicare cuts in the Balanced Budget Act of 1997.

"Under the terms of the 1997 act, Medicare spending was reduced by \$115 billion over five years, a spending cut that was included in the budget package at the insistence of the Republican leadership in Congress, and agreed to by the president," Rep. Frank said in a prepared statement.

State Sen. Mark C.W. Montigny, D-New Bedford, agrees, adding that the dilemma was created by greedy businessmen.

"The current problems we are facing are a result of the legislation impacted by greedy and destructive people," said Sen. Montigny, formerly a member of the Senate committee on health care. "The pendulum is swinging too far toward business, and we need to wreak havoc to get some changes."

Legislators are attempting to solve the underlying problems in the health care crisis with both immediate and long-term action.

"This is the easiest problem to fix. The government can certainly afford to allocate money to remedy the problem," said Alan Sager, a professor at Boston University School of Public Health. "If you're bleeding, you need a bandage, but we must also think about the future."

More than 20,000 elderly people in Bristol County are enrolled in a Medicare HMO, according to the Massachusetts Hospital Association.

Those who join Medicare HMOs forfeit their traditional Medicare hospital coverage, and pay

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the same premium as they would for Medicare non-hospital services.

They prefer these plans over traditional Medicare because of the additional benefits.

Medicare does not cover prescription drug costs, but HMOs do, to a limit.

But if both Secure Horizons and First Seniority do not renew contracts with Southcoast, elderly people will be left with few choices.

United Healthcare offers a managed-care plan, but its regional coverage is limited.

Many SouthCoast elderly will be forced to go back on Medicare, and either pay for prescriptions out of pocket or join a medigap program.

Medigap programs, which cover

prescription drugs, deductibles and co-insurance, can cost almost \$3,500 a year.

The costs of Medicare supplements might not be the only obstacle to coverage for the elderly.

The open enrollment period for those supplements might not be available until February, taking effect in June.

"What are we going to do? It seems like nobody cares," said New Bedford resident Mary Enos, 88, whose nine prescriptions are covered by her plan with Secure Horizons. "I can't afford to pay up to \$3,000 a year just for my prescriptions. I would fall apart."

Governmental help is already on the way in Western Massachusetts, where three major HMOs have left several counties in recent months: Community Health Plan (Kaiser Permanente) and Harvard Pilgrim Health Care in Berkshire, Franklin, Hampden and Hampshire counties; and United HealthCare of New England in Worcester County.

Last week, the state's Division of Insurance mandated an additional open enrollment period for medigap plans, allowing elderly people to pick up coverage when their other plan is terminated.

For SouthCoast elderly, however, the mandate is null.

The open enrollment is only offered in counties where every HMO has pulled out.

A more immediate solution to the prescription drug-cost facet of this crisis is a change of the Senior Pharmacy Program.

The program offers drug coverage of up to \$750 for low-income elderly.

A bill sponsored by Sen. Montigny that would raise the cap to \$1,500 and raise the eligible income level is in the hands of a conference committee.

"This is in no way the ultimate solution, but it would certainly offer aid to many New Bedford seniors," said Sen. Montigny, chairman of the Senate Committee on Ways and Means.

"It is important we keep them on prescriptions and out of the hospital."

Local advocacy groups are standing behind Sen. Montigny's proposal, calling it an absolute necessity to address the situation.

"The income level has traditionally been too low for many to qualify," said Michele Armour, organizer for Massachusetts Senior Advocacy Group.

"At least, this would offer some relief for senior citizens who lose their drug coverage and cannot afford to pay themselves."

However, Linda Bodenmann, chief financial officer for Southcoast Health System, has another solution.

"The bottom line is the government should offer adequate coverage of prescription drugs," said Ms. Bodenmann.

"It is absolutely crazy it is not

already included."

State legislators agree, bringing this issue straight to President Clinton, who has already laid out a revised Medicare plan.

President Clinton's plan devotes \$7.5 million to moderating over a 10-year period the impact of the Balanced Budget Act.

"Those individuals whose health insurance was canceled as a result have lost their prescription drug coverage along with their confidence in the Medicare system," wrote state congressmen in a letter sent to the president last week.

"This country has the resources now to provide an adequate Medicare prescription drug benefit, and we strongly urge you to do everything possible to help achieve this goal before agreeing to any level of tax cut," they wrote, in a final plea.

Rep. Frank said he plans to do everything in his power to see that the necessary changes come to fruition.

"We outlined our position to the president in that letter," said Rep. Frank. "Now I will go to my colleagues and urge them not to vote for the budget until this is done."

For SouthCoast elderly, however, the situation can be frustrating and confusing.

"We worked all our lives for this," said Ms. Enos. "I can't believe how we are being treated after all we have gone through."

Elderly people who need assistance can call their local council on aging.