



## HEALTH CARE IN THE NEW PRESIDENTIAL ADMINISTRATION

*Vernon Pertelle RRT MBA*

The presidential inauguration is scheduled for January 20, 2009 and the new president will have his hands full with multiple challenges as he forms his cabinet. He will have to make good on the promises to address the things that keep people awake at night. Many of the issues that were debated and discussed during the hard fought and often contentious campaign cause significant insomnia, but those that linger in the minds and hearts of many Americans center on the economy, the wars in Iraq, Afghanistan and of course healthcare. In the general scheme, home care is a small blip on the healthcare map although it made the national news when Congress overturned the Presidential Veto of HR 6331. The major and over-reaching problems in healthcare continue to be the uninsured and Medicare solvency (or ability to finance the program), particularly with a report issued recently by Trustees on the State of the Social Security and Medicare Programs. (See summary of the report: [www.ssa.gov/OACT/TRSUM/index.html](http://www.ssa.gov/OACT/TRSUM/index.html)) In the report, Trustees estimate the hospital trust fund [or Part A] will become insolvent by 2019 and issued a "Medicare funding warning," which will require the next president to propose a plan to reduce the program's use of general tax revenues. Some folks have suggested drastic changes including but not limited to the elimination of

& Medicaid Services (CMS) to directly negotiate with providers to gain better pricing. Like Social Security did a few years ago, some have also suggested increasing the Medicare eligibility age [from 65 to 67]. Each of the ideas noted potentially help prevent insolvency however are too little too late as 2019 is only around the corner, so the new president will need to immediately address the issue once sworn into office and he must consider home care as a significant solution.

### **Satisfaction with Medicare Program**

Despite the problems; Medicare beneficiaries as a group are the most satisfied with the care and services they receive, with 86% expressing satisfaction and just 8% dissatisfied. Approximately 42 million American seniors (or 15 percent of the U.S. population) are served by Medicare. I believe one of the greatest reasons for their satisfaction is related to the ability to choose their physician or other provider based on their preference. In addition the payment system as it is currently designed remains the most desired by those who provide care and services because it continues to be a good payor overall when compared with others. In fact it may be that the system itself has contributed to the problems because the mechanisms that support payment have not included the requirement to demonstrate quality or positive health outcomes thereby leveling the field with fewer individuals or organizations until recently with the introduction of pay-for-performance. Nevertheless seniors continue to be satisfied overall with the level and type of care the program affords them. *cont. on next page*

**Homecare made the national news when Congress overturned the Presidential Veto of HR 6331**

Medicare Advantage, the program that enrolls seniors into managed care organizations (MCO's). The Balanced Budget Act of 1997 (BBA), created Medicare Part C, also called the Medicare Plus (+) Choice program. The Medicare Prescription Drug, Improvement, and Modernization Act (MMA) of 2003 changed the name to Medicare Advantage. Medicare Advantage coverage is obtained through health maintenance organizations (HMOs), preferred provider organizations (PPOs) and medical savings accounts (MSAs). Some estimate that eliminating the program could save the program approximately \$150 billion over 10 years. Ironically, this is the same program (Medicare Advantage) that the Bush Administration thought would improve utilization of resources used by seniors by managing their care. In addition recommendations were put forth for competitive bargaining (or in the minds of home care providers competitive bidding) that allows Centers for Medicare



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### To be uninsured or underinsured? That is the Question

Since 2000, the number of Americans without health insurance has risen from 39.8 million to 45.0 million and will continue to rise unless we have a drastic improvement in unemployment rates in the country. The American people face a significant transformation unlike any seen before. Healthcare comprises 15% of our national economy and affects everyone. Healthcare has been the most significant domestic issue in every presidential election and those who do not have healthcare coverage further exacerbates the issues with the economy. We are faced with the most ever uninsured Americans and more importantly those who are underinsured because of the inability to pay for comprehensive health insurance premiums. Those Americans who have health care insurance, their employers who are sharing in the cost and healthcare providers feel that they get less benefit from each health care dollar. So, what is the solution to stop all of the madness? Dare we say home care can help, but let's face it; home care continues to represent less than 1% of the overall Medicare spend and is more affordable than any other aspect of the continuum of care. According to the summary written by the Trustees; Part A (or the hospital fund) represented 3.2 percent of the Gross Domestic product (GDP) in 2007, and projected to reach 10.8 percent in 2082 while Part B and Part D combined represented 3 percent of the GDP in 2007 and are expected to reach 4.1 percent in 2082. The Trustees note that Part B and Part D are expected to survive well beyond 2019 because laws regarding funding for the programs allows for financing annually. Home care regardless of whether or not it includes durable medical equipment, infusion, or allied health care, continues to be the most effective in reducing cost; preventing hospital admis-

sion; improving quality of life and more importantly patient satisfaction, thus should be strongly considered as a solution to support the survival of Part A. This will not eliminate the issues faced by Americans regarding health insurance but at the very least will meet the needs of seniors and ensure Baby Boomers have the program available when they reach Medicare eligibility age.

### Golden Years: Not So Golden

The Baby Boomers are faced with eroding retirement accounts that force them to work longer than originally planned. Medicare and Social Security are challenged with being around for Americans moving closer to the eligibility age. We embark on a new and historic era in our nation and one might say we are faced with perilous times in the country and the world, unlike any we've experienced before. Despite your position on the issues we all agree that change is needed and the actions require unconventional approaches. The new president will need to surround himself with knowledgeable people who understand the issues. In addition home care providers must stay the course to create the ongoing paradigm shift with the perceptions of the industry by continuing to educate members of Congress, who in-turn put forth beneficial laws that include home care. Now more than ever, home care must reach the lime light to create the glimmer of hope of the Golden Years during the next presidential administration and beyond to ensure the survival of the Medicare program.

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