



### HOME CARE FOR THE FUTURE: THE PRESIDENTIAL SHIFT

*Vernon Pertelle RRT MBA*

The yearlong home stretch for Election Day 2008 is at an end resulting in changes in the White House. The debate over health care in the 2008 presidential campaign, once viewed as the top domestic issue has taken a back seat to the economic woes. The two issues are not mutually exclusive, however, as the pressures over health insurance versus paying your mortgage looms like never before for many Americans. Despite the recent financial industry crisis health care remains to be a primary concern for both Republican and Democratic voters, ranking far ahead of immigration and rising gasoline prices. For physicians and other health care professionals, there's strong evidence that the nation is itching for change. For the home care industry in particular there is hope that the

**The decision whether to purchase health insurance or pay one's mortgage looms like never before for many Americans**

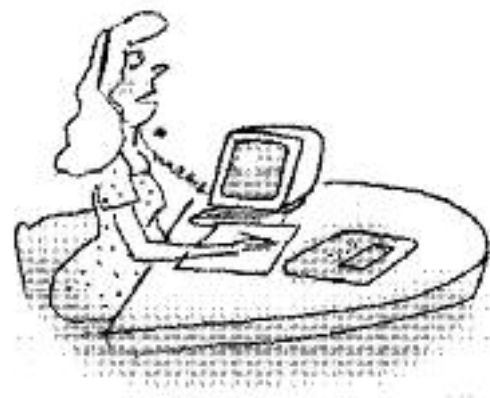
overtaken presidential veto of HR 6331, the Medicare Improvements for Patients and Providers Act of 2008, is a sign that there are brighter days on the horizon. HR 6331 was designed to amend titles XVIII and XIX of the Social Security Act to extend expiring provisions under the

Medicare Program, as well as improve beneficiary access to preventive and mental health services, enhance low-income benefit programs, and to maintain access to care in rural areas. The Bill also included language that repealed the "rent-to-own provision" that would have required home care patients to take ownership of their home oxygen equipment after 36 months of continuous use and delayed the DME competitive bidding program for 18 months. The convergence of forces associated with the financial sector, gas prices and healthcare motivated by intense dissatisfaction with the current system appears to be reaching political critical mass that requires sweeping changes in Washington, D.C.

#### **Patients, Providers and Physicians are Worried**

The rising cost of healthcare and its portion of the gross domestic product continues to increase while insurance premiums continues to rise (increase in 87% over the past decade) at the same time wages have increased less than a quarter as much. Patients pay higher deductibles and co-pays, and millions worry that losing or changing jobs will diminish insurance coverage for

their families. For Medicare beneficiaries the issues aren't any different as the government attempts to prevent solvency while the baby boomers approach Medicare eligibility age. Patients fear that more employers will stop offering insurance. Many employers have done so already as evidenced by a decline of 69% in 2000 to 61% in 2006 of those that provide health insurance, according to a survey conducted by the Kaiser Family Foundation. The American auto industry, for example, struggles with health care costs that add \$1,500 to the cost of a GM car; burdens foreign competitors don't bear because of government-run health care systems. This of course threatens our economy even more and challenges our ability to compete globally. This issue is not new however and was a problem years ago. In fact I recall reading the Autobiography of Lee Iacocca in the early 90's in which Mr. Iacocca referenced his portion of co-pays (\$1.00) at the time his employer covered the expense of his wife's surgery. The reference pointed to the need to reduce the expense associated with healthcare in our country or we would face significant challenges with the economy. Clearly this has been a topic of every Presidential campaign however with the changes that will occur this January when the inauguration occurs, we may in fact see tangible changes in the approaches to home care - hopefully they are positive for the industry and most importantly our patients. *cont. on next page*



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## We may Finally Succeed

The success gained by the home care industry with HR 6331 appears to be a sign that the seeming gridlock on home care reform may have been released. Several groups (in Congress) that have typically not worked well together all agree on the need for change and have joined forces to ensure it actually occurs. In broad strokes, Democratic presidential candidates tend to favor expanding access to health care with the help of public programs while Republicans favor changes in tax policy and health savings accounts (HSA's) and other consumer choice measures. In the past the leading Democratic candidates all have offered proposals for universal coverage. Most of the Democrats favor government mandates on employers and individuals to buy insurance. Although, specifics are hard to come by as candidates prefer to issue broad concepts and let the details be worked out in the legislative process. The leading Republican candidates haven't offered up plans for universal coverage but would change the system through tax policy, reducing costs and regulations, and tort reform. Republicans have proposed creating a standard health care deduction (or tax credit), which would make it equally sensible for individuals to buy their own insurance or get it through work. Despite your choice it is clear that in the coming months following the presidential inauguration we will get more in-depth coverage about the details on healthcare reform as they evolve. The momentum gained over the last several months must continue to prevent the industry from going back to "square one" to begin the process all over again.

## Medicare Solvency: The Ever Present Danger

The Medicare program continues to experience challenges with preventing solvency and the issues will continue unless programs and solutions are developed to deal with the issues associated with managing patients diagnosed with chronic health-care conditions. We all agree that home care is a significant solution to reducing the expense associated with caring for these patients however we must continue educating the members of congress and even more important begin to quantify the data necessary to withstand the test of time or changes in Presidential Administrations. The home care industry represents less than 1% of the overall Medicare spend and we need to use the success gained over the last year to continue the education campaign with policy makers. The home care leaders have made significant strides with educating those responsible for establishing policies and enacting laws associated with the Medicare program. HR 6331's delay in Medicare competitive bidding ends around the middle of the next president's term in office thus the opportunity to assist with creating a paradigm shift in the focus of the last eight years is with your involvement as we embark on a new and historic horizon in our country.

Vernon R. Pertelle, mbas, RRT, is senior director/assistant vice president for Tri-City Healthcare District, Home Care, Hospice, Occupational Health & Wellness, Rehabilitation Services and Center for Wound Care & Hyperbaric Medicine. He can be reached at [VRPertelle@aol.com](mailto:VRPertelle@aol.com)



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