



DENVER MEDICAL BULLETIN

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Massachusetts Reform Plan: Solution or Dead End?

A recent report from the Center for Studying Health System Change (HSC) finds that while the number of uninsured people in Massachusetts has declined significantly, the high cost of the high profile Massachusetts reform effort may be threatening support from at least one key stakeholder group, the employer community. Since the program was created in 2006, 439,000 people have gained coverage, resulting in a drop in the rate of uninsured working-age adults from 13% to 7%.

A key element of the Massachusetts program is an individual mandate which requires uninsured adults, who have been determined to be able to afford health coverage, to obtain coverage or face a tax penalty. This mandate was a significant factor in gaining the support of Massachusetts employers in spite of other requirements placed directly on the employer community. The increase in coverage exceeded by 60,000 people the initial state estimates of the uninsured population. In 2007, 57% of the newly insured obtained coverage either through Medicaid or through the state subsidized Commonwealth Care program. The high cost of providing this coverage has resulted in the state seeking additional resources, including a \$1.00 per pack increase in tobacco taxes and assessments and fees on health plans and providers, as well as increasing responsibility on the part of employers to provide increased contributions to employee healthcare costs and expanded benefits.

Employer Unrest

A 2008 site visit by HSC to Massachusetts detected signs that the employer community's support for the reform effort may be weakening, driven by two developing trends. Continued rises in premiums along with increased participation in employer-sponsored coverage are increasing employer costs while improved access to the individual insurance market for Massachusetts residents may weaken employers' motivation to provide coverage. Employer frustration also appears to be growing with state efforts to expand benefits and place additional requirements on employers. In order to comply with the individual mandate, 36% of the total newly insured - 160,000 people - obtained coverage through their employer. The cost to employers of this increased take-up is estimated to be an additional \$540 million. As the tax penalty for lacking coverage increases, pegged at half the annual premium of the lowest cost available health plan for the 2008 tax year, it is anticipated that more Massachusetts residents will access employer coverage.

Massachusetts also continues to experience large premium increases attributed to escalating costs in the state's healthcare system. As part of the reform effort, the state created the Health Care Quality and Cost Council charged with developing quality improvement and cost-containment goals and strategies, but little has been achieved to date. Critics charge that the focus of

Metro Denver Legislative Night. . .Page 3

the reform effort to date has been on expanding coverage without serious effort to address healthcare costs. Many employers have expressed concern that reform will be financially unsustainable unless underlying cost factors are aggressively addressed.

Increased access to individual coverage may also decrease the motivation of employers, especially small employers, to struggle with the financial and administrative burden of offering employer coverage. Another aspect of the Massachusetts reform program has been the merger of the small group and individual insurance markets, intended to pool healthcare risks and make insurance more affordable for individuals. So far, the anticipated decline that this move has made in individual premiums has exceeded expectations, resulting in premium decreases of as much as 50% for some coverage categories.

Employers are also now required to set up Section 125 cafeteria plans which allow employees to purchase individual coverage with pre-tax dollars, providing an average savings of 41% on premiums to employees without direct employer involvement. The reduction in employee taxable income also creates a payroll tax reduction for employers. Additionally, a proposal currently being considered to allow low-wage workers who cannot afford their employer's insurance to obtain subsidized coverage through Commonwealth Care has created concern that over time significant numbers of employers and employees will see this as an opportunity to move from employer offered coverage to the state program. In the first year of experience, a slight enrollment decline of about 15,000 individuals has been observed in the small group market. One insurance broker was quoted by HSC as saying, "I think for employers, they're getting more involved in health benefits than they ever meant to be. They're trying to find ways to distance themselves."

Pressure on Employers Increases

Currently, employers are required to have either a minimum 33% contribution to their health plan's premium for fulltime workers or at least 25% of fulltime employees enrolled in their group health plan. Employers

not meeting either of these standards must pay a fee of \$295 per employee per year. Beginning in 2009 the state will change the standard to require that employers with more than 50 fulltime employees meet both of these thresholds. With this change, the state anticipates 1100 employers will be required to pay the \$295 "fair share" assessment annually, amounting to about \$30 million or nearly 4 times what the state had previously collected through this assessment. Employers will now also be required to file "fair share" reports quarterly rather than annually.

Many employers have also expressed concern about the richness of the benefit requirement defined as adequate coverage by the state. Concern has been heightened by a new requirement effective January 1, 2009, that prescription drug coverage be part of the minimum creditable coverage requirements. Under the terms of the individual mandate, in order for an individual to avoid the income tax penalty their healthcare coverage must now include prescription drug coverage. Although this does not directly impact employers, the employer community anticipates that they will be pressured to provide this coverage for their employees so their employees can avoid the mandatory tax penalty if their coverage is not in compliance with the minimum standards. The Massachusetts Taxpayers Foundation has estimated that this change will cost employers \$24 million to add prescription drug coverage for insured workers who do not have prescription drug coverage currently in their plan. More than four fifths of the 163,000 insured residents without prescription coverage have employer-sponsored coverage.

As more employers are impacted by the requirements of the reform program, including many who have already been offering employee coverage, some have said that the individual mandate is evolving into an employer mandate. HSC reported that some of their respondents wondered whether an ERISA challenge may be forthcoming if these trends continue.

Cost Control Will Be Key

Not surprisingly, the ultimate test of Massachusetts' *(Continued on page 4)*

Denver Medical Bulletin: *Randall M. Clark, MD, DMS President and Publisher / Nora E. Morgenstern, MD, Chair of the Board / Michael B. Keller, MD, President Elect / Naomi M. Fieman, MD, Treasurer / Kathy Lindquist-Kleissler, Executive Director / Barbara Kamerling, Program Director. The Bulletin is the official publication of the Denver Medical Society, established April 11, 1871, as the first medical society in the Rocky Mountain West. Published articles represent the opinions of the authors and do not necessarily represent the official policy of the Denver Medical Society. All correspondence concerning editorial content, news items, advertising and subscriptions should be sent to: The Editor, Denver Medical Bulletin, 1850 Williams Street, Denver, CO 80218. Phone (303) 377-1850. Fax (303) 331-9839. Web www.denvermedsociety.org. Email: dms@denvermedsociety.org. Postmaster: Send address changes to 1850 Williams Street.*

*Arapahoe-Douglas-Elbert Medical Society
Aurora Adams County Medical Society &
Denver Medical Society*

Proudly team up to present...

Legislative Night 2009

Tuesday, January 27, 2009

The University Club, 1673 Sherman St., Denver

6:00 - 8:00pm

The Arapahoe-Douglas-Elbert, Aurora-Adams and Denver Medical Societies are proud to team up and present a night of facilitated discussion with our Denver Metro State Legislators. The purpose of this evening will be to create a dialogue between legislators and physicians and share ideas to hopefully provide better care to the citizens of Colorado.

Chris Adams, President, *The Adams Group*, facilitated last year's successful program and will be back with his electronic instant results voting keypads. Last year, 97% of attendees said this added to the event. Come and find out why! Legislators will be given a chance to answer questions from their physician constituents, and physicians will be given an opportunity to answer questions asked by their representatives.

This informal meeting will provide time for casual mingling between legislators and physicians beginning at 6:00 PM with cocktails and hors d'oeuvres. The scheduled program will begin promptly at 6:30 PM. Don't miss this great opportunity! As healthcare issues continue to be a high priority for Coloradans, physicians can make local contacts they will be able to call upon and make certain legislators hear their concerns.

Medical Society Members of AACMS/ADEMS /DMS and one guest may attend at no cost. Non-members may attend at the *pre-paid* cost of \$30.00 per person.

Reservations are required to attend this function. Fax your reservation to DMS at **303.331.9839** or call **303.377.1850** no later than Thursday, January 22nd.

Member Name: *(please print)* _____

Guest Name: _____

Non-members: mail your registration and enclose a check for **\$30 per person** to Denver Medical Society, 1850 Williams St., Denver, CO 80218, or fax your registration and credit card payment to **303.331.9839**.

Non-Member Registrant Name(s) _____

Card Holder Name _____ Phone _____

Credit Card Address _____

___ VISA ___ Master Card Card # _____ - _____ - _____ - _____ Exp. ___/___

Signature _____ Date _____

Massachusetts Reform Plan

(Continued from page 2)

effort to expand healthcare access and coverage to its entire population is likely to depend upon their ability to address rising healthcare costs. Although structured around the concept of individual responsibility, nearly 60% of the impressive number of newly insured under the Massachusetts program have gained coverage through state-supported programs. The economic pressure this places on the state will surely have to be shared with other stakeholders. Massachusetts has implemented assessments on health plans and provid-

ers, but these are generally passed on through higher premiums to employers and other purchasers of health plan coverage. If reform efforts are too onerous for the employer community to bear, they will find ways to opt out or challenge the system. Employers already offering coverage who find their workers facing tax penalties because the coverage does not meet state requirements may seek ways to be exempted. Small employers, and those currently not offering coverage, may be discouraged from doing so if the financial or administrative burdens become untenable. Admirably, having succeeded in expanding coverage for its population, the next big challenge to Massachusetts will be to rein in healthcare costs.

The New BME Physician Disclosure Requirements

(the "Michael Skolnick Medical Transparency Act")



With the passage of HB07-1331, known as the Michael Skolnick Medical Transparency Act, the Board of Medical Examiners (BME) began implementing the requirements of the Act in January 2008 for those applying for an initial license. It requires an extensive amount of information about you, which will be posted on the BME's website and available to health care consumers. Physicians who held an active license prior to January 2, 2008, will be required to comply with the Act as part of the next license renewal in May 2009. You are urged to attend this meeting to assure your ability to gather the relevant information early, so that your license renewal will not be delayed.

WHEN: THURSDAY, January 15, 2009; 12:00 – 1:30 PM

WHERE: Mullen Auditorium, 1895 Franklin Street
(Building just north of Exempla-St. Joseph Hospital)

WHO: Anne R. Cox, Esq., General Counsel for COPIC Companies.

A catered lunch will be provided.

All COPIC physicians attending will earn 1 ERS point.

Physicians may bring a staff member; however, a staff member attending will not qualify physicians for the ERS point.

RSVP to the Denver Medical Society by calling 303-377-1850 or emailing dms@denvermedsociety.org. RSVP deadline: January 9th.



Booksignings at the Denver Medical Library

The Denver Medical Library celebrates 115 years serving physicians in Denver. We seek to have continued relevance for the local medical community. To mark our 115th year, we are celebrating local physician authors in a number of free events. Our first event is for physicians and friends. Please join us for a reading and signing of Bob Greer's latest mystery *Blackbird Farewell* on Thursday, January 29, 2009, at 6 pm at the DML. Beer, wine, cheese, and desserts will

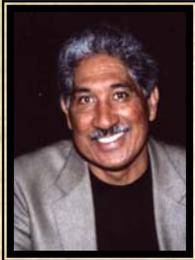
JOIN THE
**DENVER
MEDICAL
LIBRARY**

**JAN. 29
6PM**

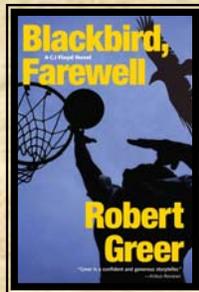
WITH A
**WINE AND
CHEESE
TASTING**



AS
DR. GREER



**REVIEWS HIS
BOOK**



be provided at no cost. We look forward to seeing you there and please bring a friend. Oh, and buy a copy of the book that night, so Dr. Greer can sign it for you.

On Friday February 26th at noon, Richard Flanigan (co-author with Kate Flanigan Sawyer) will sign his book *Longevity Made Simple: How to Add Twenty Good Years to Your Life*. This event is free. Please tell your friends and your patients about this event. Light snacks will be provided. A portion of every book sold benefits the library.

Please RSVP for both events to Sharon Martin, Library Manager, 303-839-6618. These events are free and are not limited to physicians. Books will be available for signing and purchase at both events. Please let us know if you have a new publication: we would love to host an event for you at our library this year. We are planning another book event for physicians in early spring.

The DML intends to continue to be a source of information for medical professionals and the DMS for the next 115 years. Libraries take on more significance during difficult economic times. Donations from the members have decreased now that practice managers pay most membership dues. We would like to encourage you to continue to make tax-deductible donations to the DML: tax receipts are available. Please contact your favorite DML librarian for more details, or call Sharon Martin, Library Manager, at 303-839-6618.

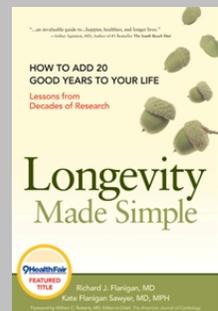
Anyone can access the Denver Medical Library's website at <http://denvermedlib.org> for 24/7 access to PubMed searching and other great free resources. However, did you know DMS members are entitled to remote access to over 7000 full-text journals in addition to other databases from the DML website for only \$100 annually? This is a great resource for those who are engaged in research or who just want to read up on a particular topic. Simply call DML at 303-839-6670 for a free two-week trial and a registration form.

**SAVE THE
DATE!**

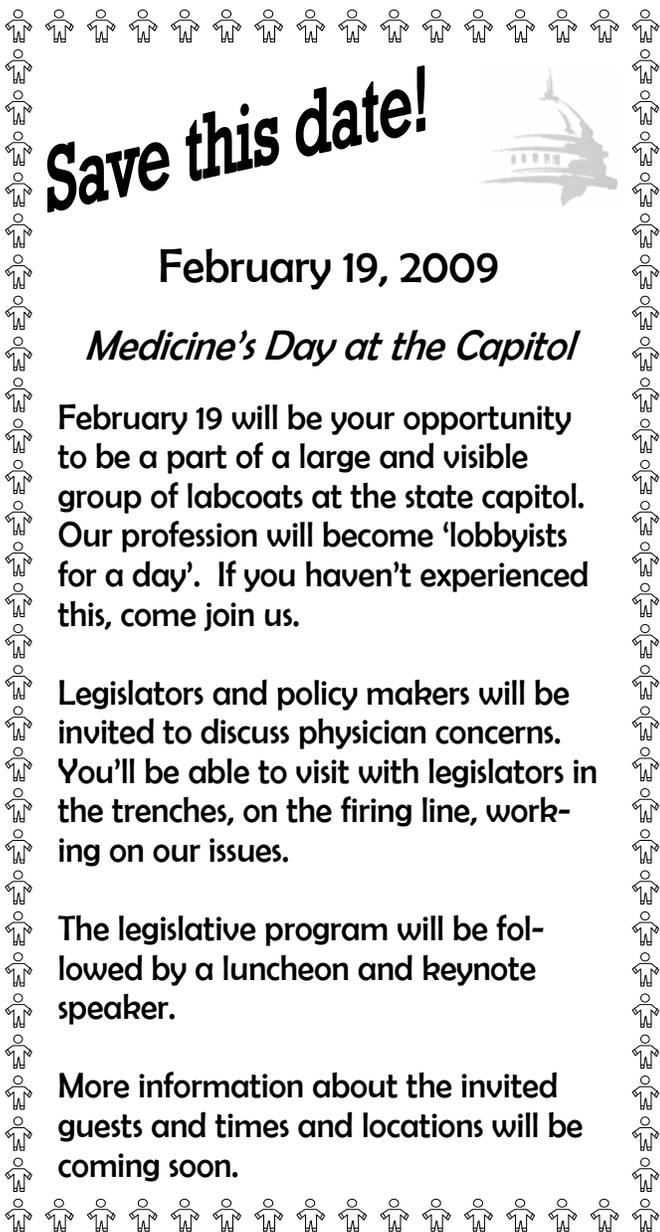
**FEB 27TH
2009
12 NOON**

**BOOK
SIGNING**

**RICHARD
FLANIGAN, MD**



**AT
DENVER
MEDICAL
LIBRARY**



Save this date!



February 19, 2009

Medicine's Day at the Capitol

February 19 will be your opportunity to be a part of a large and visible group of labcoats at the state capitol. Our profession will become 'lobbyists for a day'. If you haven't experienced this, come join us.

Legislators and policy makers will be invited to discuss physician concerns. You'll be able to visit with legislators in the trenches, on the firing line, working on our issues.

The legislative program will be followed by a luncheon and keynote speaker.

More information about the invited guests and times and locations will be coming soon.

Physicians with Experience Providing End-of-Life Care Wanted for Research Study

We are conducting a study designed to help better understand how physicians decide when and what opiates to prescribe in caring for patients at end-of-life. We will conduct hour long qualitative focus groups or individual interviews and you will be reimbursed \$40 for your time. You may be eligible if you meet the following criteria: (1) English speaking and (2) Physician in general internal medicine, family medicine, hospital medicine, hematology/oncology, geriatrics, or palliative care.

If you are interested and think you may be eligible, please contact the study coordinator, Courtney Lee at Courtneylee@ucdenver.edu or 303-352-3681. The Principal Investigator of the study is Judy Zerzan, MD, MPH, at the University of Colorado at Denver School of Medicine. Study Title: Qualitative Study of Physician Opiate Prescribing in End-of-Life. COMIRB Protocol # 08-0560. IRB approval date: 10/2008. Please contact Dr. Zerzan with questions or concerns about this study Judy.Zerzan@ucdenver.edu or 303-724-2244.

MEETINGS & CONTINUING ED

Feb. 12-15, 2009—**Pelvic Floor Disorders Symposium: A Multidisciplinary Approach.** Sponsored by HealthONE and Women's Services at Rose. A maximum of 11.25 **AMA PRA Category 1 Credits** available. Vail Cascades Resort & Spa, Vail, CO. For information call (303) 938-9237. To register online visit <http://www.formsite.com/eventdesignusa/form768401180/index.html>.

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Medical Office Space Available

SOUTHLANDS AREA. Space available for medical/dental professionals in Southlands area: Available summer 2009. Building ownership, next to schools. Biggest growth potential in the Denver area. Please direct all questions to Alisa at ammswo@hotmail.com or (720) 217-1944.

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SPANISH FOR THE MEDICAL PROFESSION

FEBRUARY 20-22, 2009

This will be the only class offered in 2009. Enroll Now!

Denver Medical Society, 1850 Williams Street, Denver

Colorado has one of the highest proportions of Hispanic and Latino populations in the country. Denver counts over 31% of its population in this category! To enhance physician communication capabilities, the Denver Medical Society again is offering a three-day intensive, total-immersion learning experience in conversational and medical Spanish for physicians, nurses, PAs, NPs and other medical staff. Although challenging, the course is lively and rewarding. This is the thirteenth offering of this highly popular class conducted by Rios Associates.

The cost of the class is \$395 for DMS members, \$460 for non-members, including text book. To register, complete the coupon below and include payment. All payments will be held until 15 people have registered. If we are unable to enroll 15 participants, all checks will be returned and credit card information will be destroyed. No cancellations after January 30, 2009. Call 303-377-1850 or email dms@denvermedsociety.org for additional information.

The University of Arizona College of Medicine designates this educational activity for a maximum of 24 hours in category 1 credit towards the AMA Physician's Recognition Award. A processing fee of \$35 payable during class applies for those seeking CMEs.

COPIC is offering a limited number of \$200 scholarships for COPIC/DMS members who have not participated in this offer previously, on a first come-first served basis. In addition, all COPIC insureds will receive 1 ERS point for completing the course.

Enroll me in *Spanish for the Medical Profession* course offered February 20-22, 2009.

Name: _____ Intermediate Class _____
Address: _____ Beginner Class _____
Phone: _____

Please make checks payable to the Denver Medical Society and mail with registration to 1850 Williams Street, Denver 80218. You may fax credit card registrations to (303) 331-9839.

DMS members - \$395 All others - \$460

Payment enclosed: Check Credit Card
VISA MasterCard Card # _____ - _____ - _____ Exp ____/____
Cardholder Name and Address _____
(if different from registrant) _____
Signature _____ Phone _____

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