HEALTH CARE CONSUMER

September, 1986 Newsletter of the Champaign County Health Care Consumers Vol 10 Issue 2

INSURANCE REFORM: Consumers Cap Industry Greed

This year, the insurance industry thought that it could push through a package of so called "liability insurance reforms". However, consumers were ready for the industry's attack on their rights. When the dust cleared consumers found themselves on the winning side of the final insurance reform package passed by the legislature.

The industry claimed that the liability insurance "crisis" would go away if consumers would be willing to give up many of their rights. However, consumers effectively countered the insurance industry's pressures by taking a different message to Springfield: The "crisis" could be solved by better regulation and more competition rather than taking away victim's rights.

Canvassers, including CCHCC's own canvass, knocked on doors throughout the state and talked to people about the insurance issue. The canvass was supported by many studies which showed that the insurance industry's figures and claims had no basis in reality. In fact, this year the insurance industry was making even more profits than last year and the number of lawsuits had not risen noticeably.

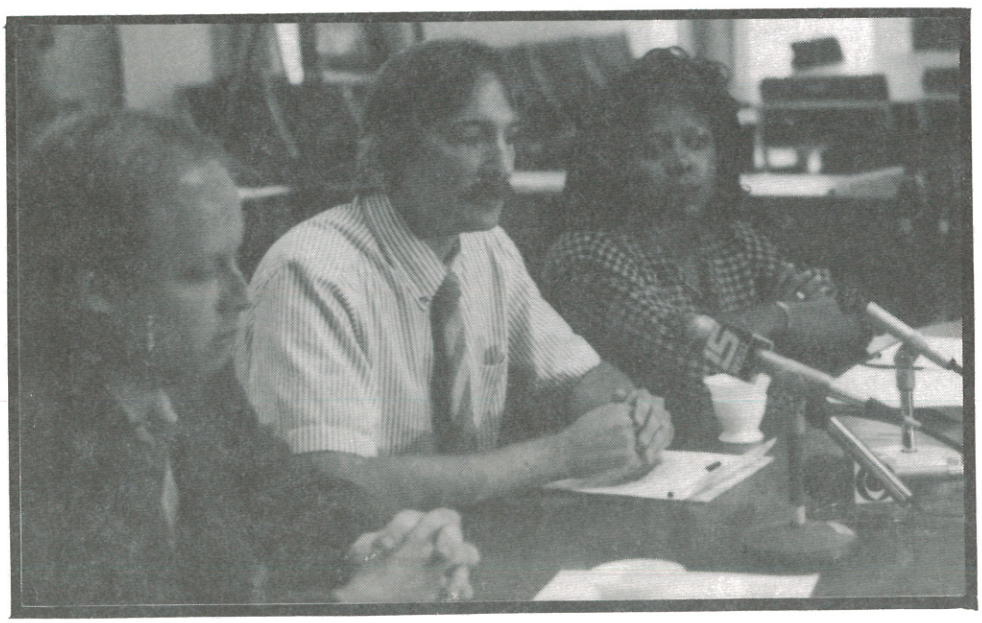
Citizens around the state joined in an effective grass-roots campaign of letters, phone calls, and visits to local legislators. In the end, consumers convinced the General Assembly to not let the insurance industry have its way. The final bill (now on the Governor's desk) is a compromise that consumers should find satisfactory.

Some of the major changes in the legislation include:

JOINT AND SEVERAL LIABILITY

Under the new law a defendant whose negligence is 25% or less of the total negligence of all the parties may only be held liable for the percentage of their liability. Thus, if an award of $10,000 was given by a jury, a defendant who was only 10% responsible for the damage would only have to pay $1,000. They could not be held as a "deep pocket" and be forced to pay the entire award. However, any party who is above 25% negligent may be held liable for the entire amount. The modification of the joint and several doctrine does not apply in environmental and medical mal-

Continued on Page 7



CCHCC Executive Director Mike Doyle (center) announces petition drive to place Non-Discrimination referendum on November ballot. CCHCC Board members John Peterson (left) and Jeann Rice (right) look on. **Story on Page 2**

CCHCC CANVASS Nets 500 NEW MEMBERS

For the third consecutive year, CCHCC's door-to-door canvass has been a tremendous success. From May 27 through July 19, CCHCC canvassers knocked on approximately 10,000 doors in 13 cities and towns in Champaign County and raised over $17,000. Led by Canvass Director Leo Millar and veteran canvassers Bill Perkins and Sue Martin, the 1986 canvass staff signed up 500 new members and collected contributions from another 1900 residents of Champaign County.

"People were extremely receptive," explained CCHCC Canvasser Bill Perkins. "It was great to see how many people had heard of CCHCC. Those who hadn't, really seemed to appreciate the opportunity to learn more about the work we are doing."

The 1986 canvass covered more turf than either of the two previous canvasses. In all, CCHCC canvassers signed up members in 13 cities and towns including Champaign, Urbana, Rantoul, Tolono, Fisher, Gifford, Sidney, Philo, St. Joseph, Ogden, Savoy, Thomasboro and Homer. We'd like to welcome the 500 new members and thank everyone who contributed this year. You have made the canvass a rewarding success.

Over 2,100 Urbana residents signed petitions to place a Non-Discrimination referendum on November ballot.

'Non-Discrimination' Referendum On November Ballot

On July 2, 1986, at a news conference in the Urbana City Building, CCHCC announced a petition drive to place a referendum on the November ballot in Urbana. The referendum asks voters if local health care providers should be required to adopt a non-discrimination policy in the delivery of health services.

"The Health Care Consumers choose to place a referendum on the ballot because we feel it is an issue of growing concern in our community," stated Jeann Rice, CCHCC Board Member. "We are here today because we think this is an important public policy issue. We are concerned about this issue for two reasons: The first is our belief that discrimination has no place in the delivery of health care services. Second, we are deeply concerned about the impact that selective discriminatory policies will have on the health care delivery system in our area."

The referendum will read: "Should the City of Urbana require medical institutions to adopt a Non-Discrimination Policy prohibiting denial of services on the basis of race, sex, age, national origin and source of payment? Such a requirement would be enforced by withholding city approval of zoning changes, special variances and public financial support from institutions that refuse to adopt such a policy."

Following the announcement, CCHCC volunteers and staff members began a door-to-door canvass of Urbana neighborhoods in order to collect the 1,849 signatures (10% of the registered voters in Urbana) needed to place the referendum on the ballot. Six weeks later on August 18th members of CCHCC delivered 228 pages of petitions with 2,100 signatures to the Urbana City Clerk. The final number of signatures collected provided a 15% surplus over the minimum required.

Although many people were familiar with the issue, others were surprised to learn that local clinics, nursing homes and other health providers don't already have Non-Discrimination policies. "What we have seen over the last 10 years is an economic situation in which the poor are losing ground," said CCHCC Board Member John Peterson, "Only 27 of the 116 primary care physicians in Champaign County treated Medicaid patients in 1983. That is a very low figure for Illinois and Illinois' figures are low for the nation. The purpose of the referendum is to open up all facilities in Champaign-Urbana to public aid patients and others who are economically distressed."

The Health Care Consumers have become increasingly involved in the issue of discrimination against Public Aid patients since early 1984 when CCHCC successfully opposed Carle Clinic's attempt to evict all Medicaid patients from a nursing home it had recently purchased. Later that summer, community and union groups in Danville picketed the opening of Carl's $1 million satellite clinic in Vermilion County because of the clinic policies discriminating against Medicaid patients outside of Champaign County. In December, 1985, CCHCC went "Caroling at Carle" in an effort to call attention to the Clinic's policy of limiting Medicaid patients from outside Champaign County even though over 60% of all its patients are from outside Champaign. In January of 1986 CCHCC asked the Champaign City Council to require Christie Clinic to adopt a "Non-Discrimination Policy" before turning over more than $100,000 of taxpayer's money for a clinic expansion project. Finally, in February of this year, CCHCC filed a class action complaint against Carle with the U.S. Office on Civil Rights charging that Carle was in violation of federal Hill-Burton regulations. The federal complaint is still pending.

Hotline Training

CCHCC extends an invitation to you to become a Consumer Health Hotline volunteer. If you are interested in health care issues we welcome your involvement in our health hotline. CCHCC is very proud of its Consumer Health Hotline which has served Champaign County residents for the past six years. Averaging over 100 calls per month, inquiries are received regarding consumer grievances, Medicare, billing, patient's rights, prenatal care, etc. Also, many residents call the hotline to obtain referral information pertaining to health care. Hotline calls are channeled by the Hotline Coordinator to volunteer staff who work directly with the consumer who called.

Volunteers are interested individuals who donate time after attending the required training sessions. Training involves three sessions which cover effective advocacy, hotline procedure, filling out consumer call forms, background information on CCHCC and a general history of the Consumer Health Hotline. Since the hotline works to assist consumers who usually lack the necessary knowledge or skills to help themselves, basic problem resolution skills are employed and are part of the training session.

Volunteers often work at home. No prior experience or expertise is required.

Over the years, hotline training sessions have been conducted one to two times each year. Training consists of three informational sessions and new volunteers are always needed. Volunteers often work at home. No prior experience or expertise is required. Because the hotline services a wide range of people, we are looking for a diverse, interested and committed group of volunteers. We hope YOU will be one of those people.

The next hotline training session will begin October 4th. The October 4th session will be the first of three training sessions held. Watch for our television and radio advertisements (as well as posters) announcing the next hotline training session. Then call our office at 352-6533 to sign up.

The CCHCC Consumer Health Hotline provides a unique service to the local area as it is the only hotline service of its kind locally. You can play an active and much needed role by attending the upcoming training session and becoming a hotline volunteer!

Consumer Health Hotline 352-6533

Over 1,000 Enroll In MEDICARE 100/PLUS

During the last three years the Senior Task Force has grown into one of CCHCC's strongest components. The Medicare 100/PLUS programs which the Task Force negotiated with Burnham Hospital and 80 local physicians enters its third year with membership now exceeding 1,000 and no indication of slowdown. In fact, during the first 6 months of 1986, Medicare 100/PLUS membership increased over 40%.

Much of the recent growth is directly attributable to this year's negotiations with Burnham Hospital resulting in a number of improvements in the programs. The income guidelines which distinguish between Medicare 100 and Medicare Plus eligibility have been increased from $10,000 per year for a single person to $10,500, and from $13,500 to $14,100 for couples. These increases are intended to protect seniors who've seen a slight increase in their social security checks the past two years.

Enrollment has now been simplified to eliminate payment of the $75 Part B deductible in advance, and members now pay only $5 per year and pay their Part B deductible as necessary throughout the year. This change was partly the result of the success of the programs in attracting new members, creating a paperwork backlog that was eliminated by returning responsibility for payment of Part B deductibles to Medicare recipients.

The program has attracted two new physicians since our last update, Dr. Harikrisna Patel and Dr. Barbara Post. Dr. Patel practices Dermatology at the Doctor's Building, 301 E. Springfield and Dr. Post practices Internal Medicine at Christie Clinic. The Task Force expresses its gratitude and congratulations to Doctor Patel and Doctor Post.

Burnham Hospital has agreed to additional benefits in the form of free parking for members while visiting at the hospital and discounted cafeteria meals at the hospital upon completion of the renovation of their cafeteria, currently scheduled for September.

Venture Pharmacy of Market Place has replaced the recently closed Baker-Illini Pharmacy as a Medicare 100/PLUS participating pharmacy. While Venture does not offer same day delivery service, they will mail prescriptions out to members at no extra charge. Seniors should note that Venture has a regular Senior discount on Wednesday, separate from the everyday Medicare 100/PLUS discount available to members.

The Monitoring Committee recently held elections by mail and selected new representatives for the coming year. In addition to ongoing consultations with Burnham Hospital and the participation pharmacies, the Monitoring Committee is also responsible for researching and negotiating contracts with new health care providers. The Monitoring Committee for the coming year is Ruth Baker, Ira Lee Butler, Clara Clark, Anna Clayton, Lillian Cotter, Clara Greenblau, and Ray Kleiss. Congratulations to these dedicated volunteers, who work to improve the lives of all of the Medicare 100/PLUS members.

The first task of the new Monitoring Committee will to begin research and negotiations with optometrists, who were indicated on our survey as being the preferred next step in the drive to reduce health care costs. Optometrist surveys have been prepared and mailed out, and the Monitoring Committee will be compiling this information and deciding on a negotiating strategy in the near future.

Garage Sale Brings In $400

For one day this spring the Health Care Consumers' store front office became a bargain basement. Friends members and assorted bargain hunters browsed through the space normally occupied by canvassers' clip boards and file cabinets. It was the CCHCC's first attempt at a garage sale. And a successful attempt it was!

When all was said and done, profits were in excess of $400 and a group of dedicated volunteers went home to nurse their aching feet from the hard day of retailing.

A big heartfelt thanks goes out to everyone who helped with the event. Countless volunteer hours went into the effort. Traffic at the garage sale was high and donations seemed to be endless. The generosity from the community was absolutely amazing as individuals, clubs and churches were still bringing donations one half hour before the doors opened.

To everyone who donated items, patronized the sale, sorted sale goods, folded clothes, baked cookies or spent time talking the event up to friends - thank you and congratulations. Good work folks.

Health Costs 10.7% Of GNP

The United States spent a record $425 billion on health care in 1985. Nearly one out of every nine dollars, or 10.7 of the Gross National Product (GNP) goes to health care. Spending was up 8.9% over the 1984 figure, continuing a decade long trend of increasing 2-3 times the general rate of inflation which was 3.9% during 1985. Health care spending as a percentage of the United States GNP is nearly double what it was ten years ago, and is higher than any other industrialized country in the world.

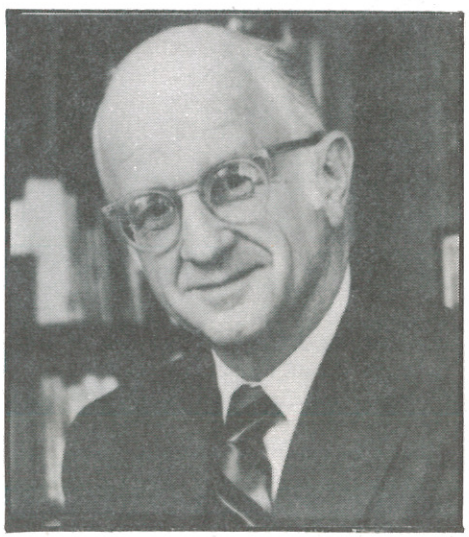
Dr. Mendelsohn To Speak At CCHCC Conference

Mark your calendars, CCHCC's Annual Conference is scheduled for Saturday, November 15 at the Five Points Inn in Urbana. Robert Mendelsohn, M.D. is scheduled to be the keynote speaker at the conference which marks CCHCC's ninth anniversary.

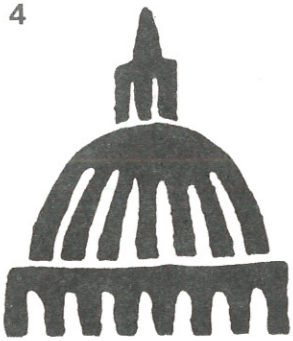
The author of several books including Male Practice: How Doctors Manipulate Women and Confessions of a Medical Heretic, Dr. Mendelsohn is recognized as a leading critic of modern medicine and has helped stimulate significant improvements in the way medicine is practiced in the United States.

The conference will open Saturday, November 15 with a morning plenary session. Following the plenary, several workshops will be conducted on important consumer health issues. The conference will conclude with a banquet featuring Dr. Mendelsohn as keynote speaker.

Dr. Mendelsohn has practiced pediatrics for almost 30 years. He has been the National Director of Project Head Start's Medical Consultation Service, Chairman of the Medical Licensing Committee for the State of Illinois, and Associate Professor of Preventive Medicine and Community Health in the School of Medicine of the University of Illinois. His philosophy on medicine is reflected in his latest book How To Raise a Healthy Child . . . In Spite of Your Doctor. Unlike books on child health by Dr. Spock and others, Dr. Mendelsohn's book does not support "See Your Doctor" as its bottom line. Instead, he makes a valid case that "mothers, grandmothers and Mother Nature are the best doctors around" and that professional intervention usually should be the last resort for an ailing child.



Robert Mendelsohn, M.D.



LEGISLATIVE UPDATE '86

...from the Statehouse

While the insurance battle dominated this legislative session in Springfield (see accompanying article), there were several other important bills introduced last spring. The following summary will update you on the status of these health care related bills.

The Dietetic/Respiratory Act (SB 96) would require licensure for nutrition counselors and respiratory therapists, and would have required referrals from MDs. This would result in increased costs of these services without improving the quality of care delivered to the consumer. Senate Bill 96 was opposed by CCHCC and was defeated in the Senate.

The Affordable Dentures Act (SB 1049) would allow individuals to purchase dentures directly from denturists, instead of dentists, in much the same manner that people can bypass opthamologists in favor of optometrists for routine eye care. The potential savings for consumers could range from 25% to 50%, based on experience in other states and Canada. Senate Bill 1049 has been a major priority of the Illinois State Council of Senior Citizens and CCHCC's Senior Task Force for over a year now, and it is bitterly opposed by the Dental Lobby. The bill is currently in interim study and will be organizing around SB 1049 this fall in an attempt to pass the legislation into law.

The Comprehensive Health Insurance Program Act (SB 1699) would establish pools for individuals and businesses who otherwise would not have health insurance available to them. Although SB 1699 is currently stalled in the Senate, a resolution passed which calls for the establishment of a five member Senate Select Committee to develop a compromise version of the bill for the fall session. SB 1699 was introduced by Senator Carroll at the request of the Attorney General and was supported by CCHCC.

The Sunset Review Legislation (SB 1913, HJR 198) supported by CCHCC would have established a commission to review laws pertaining to the allied health professions. Although Senate Bill 1913 cleared by the Senate, it was defeated in House Committee and has been replaced by House Joint Resolution 198, sponsored by Speaker Madigan. HJR 198 establishes a 13 member commission to review the laws and make recommendations for changes by December 31st of this year. CCHCC supported SB 1913 and HJR 198 and is now lobbying for appointment of consumer advocates to the commission.

Another major victory for consumers was the passage of the expanded Pharmaceutical Assistance Act. (SB 2042) Senate Bill 2042 adds diabetes and arthritis medicine to the eligibility list of pharmaceuticals that qualify for subsidies by the State of Illinois. Senate Bill 2042 was vigorously supported by the State Council of Senior Citizens and CCHCC's Senior Task Force. Governor Thompson signed the bill into law at the Illinois State Fair.

The Medical Practice Act of 1986 (SB 2202), would completely rewrite the current Medical Practice Act and exempt the new version from sunset review for another 10 years. The Illinois State Medical Society amended Senate Bill 2202, a half-page shell bill, with a 73 page replacement for the Medical Practice Act. While SB 2202 did not clear the Senate, there are rumblings that it will reappear again this fall, as the Medical Lobby stoops to new depths to avoid the scrutiny of sunset review. Consumers are warned to be aware of any new ISMS shenanigans, and are encouraged to write your Senators and Representatives to urge them to vote against SB 2202.

Finally, four bills researched and prepared by CCHCC were introduced in the House to amend the Medical Practice Act. The omnibus bill, House Bill 3338 sponsored by Representatives Zwick and Flowers, included provisions to increase resources for the Department of Registration and Education, improve monitoring mechanisms to procure additional data, stronger enforcement of current disciplinary measures, and increased consumer access to information concerning disciplinary actions taken against physicians. This bill was also divided into three separate bills, HB 3544 (Shaw-Preston), HB 3545 (Shaw-Satterthwaite) and HB 3546 (Shaw-Braun).

Although none of the bills cleared the House, these bills will provide a foundation for several "quality of care" proposals being developed for the sunset commission and the upcoming legislative battle next session.

...from Capitol Hill

A number of potentially significant health care issues are close to passing Congress. Senate and House Budget Reconciliation bills (S 2706 & HR 5300), which will implement the Budget Resolution passed earlier this year, also include several health program changes.

The Budget Reconciliation bills are in conference committee. It is likely that a compromise bill will be sent to the congress after the Labor Day recess. Some of the more significant health care issues in the bill are:

HOSPITAL MEDICARE PAYMENTS: Medicare payments would increase by 1.5% in the Senate bill, and by 1.3% in the House bill in fiscal year (FY) 1987. The administration recommended a 0.5% increase.

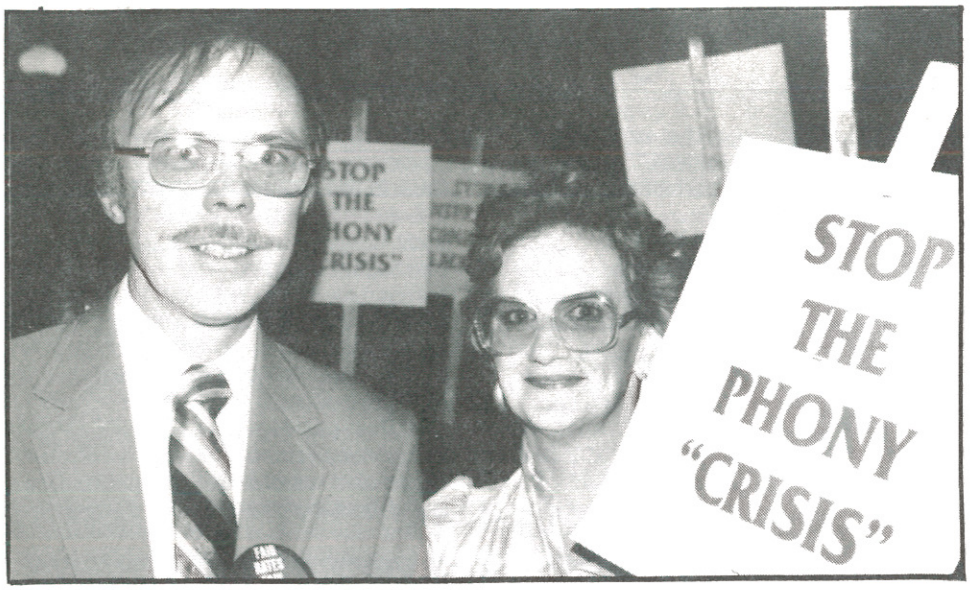
PROMPT PAYMENT OF MEDICARE BILLS: the Senate would require 95% of properly completed claims to be paid within 24 days. The House would require 95% of properly completed claims to be paid with 22 days for hospitals and non-participating physicians and within 11 days for participating physicians. The Administration has set a goal of 28 days for claims processing.

MEDICARE DEDUCTIBLE: the Senate would change the formula for setting the deductible to link it to the increase in the cost of a Medicare hospital stay instead of the cost of the first day of hospital care, which would reduce the 1987 deductible rate from $572 to $520. The House simply reduces the 1987 deductible to $500 without revising the formula for future increases.

QUALITY PROTECTION: the Senate would require hospitals to have discharge planning departments, would allow patients to be represented by providers in appealing Medicare claims denials, and would require review of Medicare patients readmissions within 31 days of discharge. The House bill includes the Senate provisions, but also requires the Administration to adopt a severity of illness factor for hospital payments, further protects beneficiary appeal rights, and expands the quality monitoring responsibility for Peer Review Organizations (PROs).

MEDICARE EXPANSION: the Senate bill would allow states to cover pregnant women, children to age 5, disabled persons, and people 65 years or over with less than poverty income. The House bill has essentially the same provisions.

INSURANCE FOR THE UNINSURED: the Senate bill would require all states to establish high risk insurance pools to cover those who cannot purchase private coverage. The pools would be financed by employers and would have to be available by 1988. The House bill has no similar provision.



CCHCC members traveled to Springfield on April 8 to talk to area legislators about the need for rate regulation of insurance industry. Pictured above are CCHCC members Gary and Betty Hinton.

Pharmacists Write Prescriptions In Florida

Florida is the first state to allow druggists to write prescriptions. A new law covers only mild medications, but it represents a major incursion into doctors' power over health.

Doctors and insurance and drug companies argue that the law will lead to major malpractice suits against druggists and the companies. Consumers and druggists point out that the $3-5 the druggists will charge will lead to improved access. Consumers will no longer need to pay a doctor's fee for an office visit, just to get a prescription. For more information contact:

Karen Clark
Florida Consumers Federation
937 Belvedere Road
West Palm Beach, Florida 33405
305-832-6077

Local Efforts Mark Insurance Debate

Although much of the action on the insurance issue focused on the deals being cut in the legislature, much of the success can be attributed to organized efforts back in legislators' home districts. The Champaign County Health Care Consumers were at the forefront of the consumer campaign here in central Illinois. Throughout the entire legislative session there were many events that highlighted the need for strong product liability legislation and insurance regulation.

The campaign kicked off with a Victims Remembrance Day on March 27. Local residents Ray Watson and Jim Ward, as well as CCHCC Chairperson Susan McGrath, spoke out on the need for adequate compensation for injuries. Both men had been victims of faulty products and had been disabled. The awards that they received barely covered their expenses, emphasizing that the highly publicized million dollar awards were clearly the exception rather than the rule.

On April 8, Ray, Jim and other CCHCC members joined several hundred people from around the state in Springfield to have the first of many meetings with local legislators. The event was quite impressive and marked the turning point in the consumer battle to get fair rates and fair compensation.

The need for Joint and Several liability and punitive damages was highlighted by the Consumer Rights Drive that passed through Champaign on May 14th. The "Dangerous Dozen", products ranging from the exploding Ford Pinto to burning children's clothes, were on display. These products were examples of how punitive damages protect the general public by providing an economic incentive to manufacture or remove unsafe products. In all cases, the products were either modified or removed from the market only after punitive damages were awarded.

Later in May, CCHCC led a push to get the Champaign County Board to pass a resolution endorsing consumer legislation, that was sent to local state legislators and key leadership in Springfield. Local units of government had been hard hit by the insurance crisis. Thanks to CCHCC's efforts members of the County Board recognized the solution to the problem was better regulation of the insurance industry and more competition, rather than limiting victims' rights and compensation.

Public education efforts continued when Sybil Shainwald spoke at a press conference on June 11. Ms. Shainwald is a New York attorney and has litigated many of the Dalkon Shield cases. She spoke about how the proposed changes in liability legislation would affect women. She stated that the proposed changes would make it difficult for Dalkon Shield victims to receive compensation for their injuries.

Finally, CCHCC's door-to-door canvass knocked on over 10,000 doors in Champaign County in an effort to explain the insurance crisis to the general public. When the dust had cleared, two Champaign County legislators, Representatives Tim Johnson and Helen Satterthwaite, voted for the compromise legislation. Two other legislators, Senator Stan Weaver, and Representative Thomas Ewing voted against.

Jim Ward (in wheelchair) and Ray Watson (far right) speak to reporters about their liability suits in front of Champaign County Courthouse in Conjunction with Victim's Rights Day, March 27.

Study Criticizes "For-Profits"

Washington, DC--The National Council of Senior Citizens (NCSC) has released a study of "for-profit" hospital chains, which it describes as"a growing danger to our health care system."

The report, called "For-Profit Hospital Care: Who Profits? Who Cares?" takes an overall look at the rapid growth of for-profits in America and examines the policies of several major chains. According to Benjamin Gordon, NCSC Senior Research Analyst, who prepared the report, for-profit hospitals have a "McDonald's approach to health care, viewing a hospital as no more than a money-making franchise." They rarely "serve the useful medical or social purposes of non-profit hospitals," he said.

Among the policies highlighted by the report are:

PATIENT DUMPING--Indigent persons who lack hospital insurance are commonly refused admission to for-profit hospitals, or, if admitted on an emergency basis, are "dumped in a community or non-profit hospital." Many ill or injured patients have been transferred even when the move and the delay in treatment has seriously jeopardized their health and, at times, their lives.

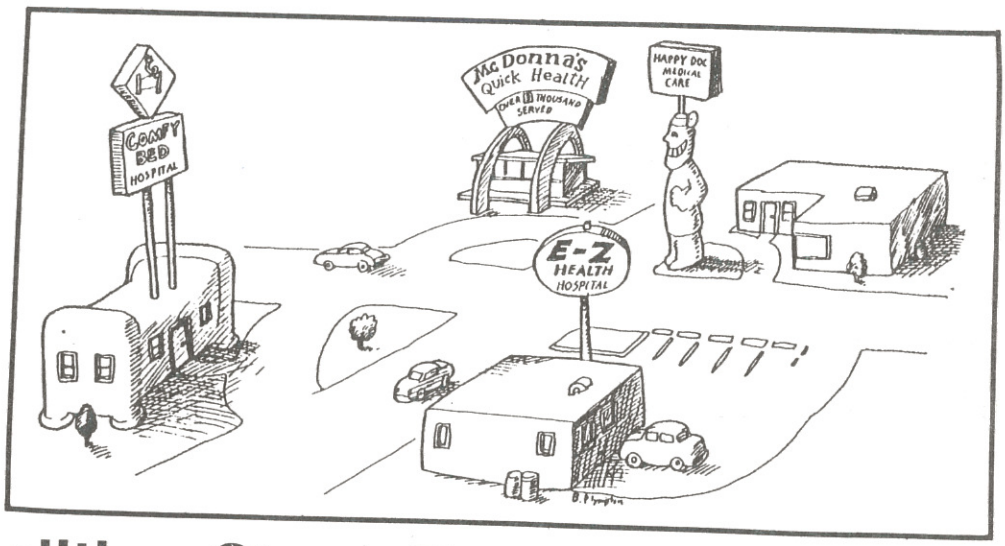
HIGH-PRESSURE RECRUITMENT OF PHYSICIAN--In order to entice physicians to locate nearby, a for-profit chain will frequently offer exorbitant guaranteed annual incomes, fully-furnished offices with staff, and country club membership. The payoff for the chains is a steady flow of hospital patients--recommended by the grateful physicians. NCSC says the arrangement creates a "conflict of interest," which "inevitably strains the commitment of the physician to the patient."

HILL-BURTON VIOLATIONS--Non-profits built with Federal funds under the Hill-Burton Act are required to reimburse the Government when they switch to a profit-making status. To date, says the report, "the Federal Government has recovered only a fraction of what it should have recovered"under the law, and that "million of dollars of taxpayers' money have been lost."

THE COMMUNITY LOSS--The rapid growth of for-profit is hurting communities in two ways: 1) they lose facilities that are desperately needed to care for low-income residents; and 2) profit-making hospitals "generally make negligible or no contributions to medical research and education."

TIE-IN TO MEDICAL SUPPLIERS--For-profit hospitals are making a sizable profit on medical supplies or drugs provided by companies in which they have a financial interest or a cooperative arrangement. The over-prescribing of drugs for patients is one of the more dangerous consequences of such tie-ins.

The report recommends that acquisitions of non-profit hospitals by for-profit chains be considered "a public policy issue" and that the Attorney General "represent the interest of the community, as well as of the state in any proposed transfer."



Rhode Island Coalition Stops For-Profit Chain

On April 29, 1986 the Rhode Island Health Service Council voted 13 to 0 to deny the application for construction of a Rehabilitation Center, 70% owned by the Hospital Corporation of America (HCA), the nation's largest for-profit health care corporation. The decision was a major victory for consumers who have waged a several month campaign to keep the for-profit health care industry from gaining a foot hold in Rhode Island.

The campaign has operated on two simultaneous fronts, legislative and regulatory. HCA applied for a Certificate of Need (regulatory process to promote efficient delivery of services) to build a rehabilitation center in Cranston last October. The public didn't become aware of those plans until Governor DiPrete appeared at a press conference announcing plans for the center. After strong opposition developed, the Governor claimed his presence did not mean his endorsement.

In any case a coalition quickly formed to oppose that construction based on the lack of need (several rehabilitative centers already existed with empty beds) and on the nature of for-profit health care chains. The health campaign argued that for profit chains cost more than non-profits, they deny care to those without insurance coverage, and they force other hospitals to cut services in order to compete.

for-profit chains cost more than non-profits, they deny care to those without insurance coverage, and they force other hospitals to cut services in order to compete.

The coalition includes the Concerned Citizens for Justice (CCJ), Service Employees International Union (SEIU) local 76, American Federation of State, County and Municipal Employees (AFSCME) local 1350, National Hospital and Health Care Workers Union local 1199, and the Community Labor Coalition (CLOC).

While the Certificate of Need process was proceeding the Health Coalition also had two different bills introduced in the state legislature. The first bill was an outright ban on for-profits in the state, which was strongly supported by the state AFL-CIO. The second bill was a moratorium to keep out the HCA facility for one year. The CON campaign and the legislative campaigns overlapped tremendously and reinforced one another.

A number of interesting tactics were used by the health coalition. AFSCME had lost several jobs already because money for state hospital support of rehabilitation services was inadequate. AFSCME could first hand refute the need for an additional facility, while arguing for support of existing facilities. Hospital administrators were also convinced that the for-profits entry into Rhode Island would be a threat to them as well as leading to worse care for the uninsured and a higher health bill for Rhode Island.

During the Campaign a local hospital managed by HCA allowed its facilities to

Continued on Page 8

Medicare Rights & Early Releases

Dorothy Seeley is a woman who is not afraid to speak out for change. That's why the Health Care Consumers brought her to Champaign to talk about Medicare reform.

Seeley, President of the Allied Council of Senior Citizens of Wisconsin, was one of the featured speakers at a special community forum at the Urbana Free Library on September 10.

The forum, entitled "Medicare Rights and Early Releases: Don't go home before you're ready," was organized after many calls to the Health Care Consumers' office from Medicare beneficiaries and their family members. These folks were calling because they felt the beneficiaries were being forced out of local hospitals before being well enough to leave.

Seeley was asked to be among the forum speakers because she has first-hand knowledge of the issue. During the spring Seeley testified before the United States House of Representatives Select Committee on Aging. Fighting hard to hold back tears, Seeley told this Congressional committee the story of her husband's fight against cancer. Additionally, she told the committee about the pain the couple suffered as her husband was shuttled in and out of three different hospitals for a total of five stays over an 11-month period.

"When I think back to those days I cry," Seeley told Congress. "I get angry. The people we trusted to take care of (my husband) seemed to put Medicare payment first. To them, the cancer hiding in his spine was secondary."

"When I think about how much money Medicare and supplemental insurance paid just because the hospitals shuttled him around, I think it is a terrible waste," she said.

"The people we trusted to take care of (my husband) seemed to put Medicare payment first."

In addition to her activities with the Allied Council, Seeley also is vice president of the Wisconsin Action Coalition, a statewide consumer lobby, and she is a retired steel worker. Scheduled to join Seeley on the forum panel: Judy Peres, Hazel Hasty and Mary Bazan.

Peres is a health policy expert. She has worked in Washington D.C. health policy for 15 years. Currently, she is employed by the Villers' Foundation. The Villers Foundation has a long history of lending support to groups concerned with senior citizen health issues and is a contributing member to the Health Care Consumers. Peres will speak about what is wrong and right with current Medicare policy. She will share ideas on how Champaign-Urbana area seniors can work for good change in the system.

Bazan is known to many senior members of the Health Care Consumers because she processes Medicare 100/Plus claims. She has been employed at Burnham Hospital for two years working with the Medicare programs. Her efficient and informed manner has won her respect among hundreds of Medicare 100/Plus members. She comes to speak about Medicare reimbursements from the hospital's point of view.

Hasty is an active member of the local chapter of the American Association of Retired Persons. Her scheduled talk concerns what a Medicare beneficiary can do when asked to go home before being well enough to leave the hospital.

Hasty's talk is taken from various chapters of the "Knowing Your Rights" booklet published by the AARP. The booklet is an excellent guide through a Medicare patient's rights.

Insurance *from Page 1*

practice cases.

This compromise is a major victory for consumers. The insurance industry wanted to completely eliminate joint and several liability. Consumers were concerned because in many cases, ranging from damages from the drug DES to dumping of toxic waste, it is difficult to sue every party involved. Under joint and several liability a victim only has to sue one party. It is that defendant's responsibility to bring others into the suit, not the victim. Under the compromise consumers still have protection in the two major areas where joint and several liability is vital.

INDUSTRY DISCLOSURE

A critical aspect of the legislative battle focused on the credibility of the insurance industry's claims of losing money. With industry unwilling to release claim information, the legislature has attempted to correct this problem. A new provision would require insurers to provide "loss" information for the preceding three years upon the request by insured or with notification of cancellation or non-renewal. The information would include data on claims against the insurance company, losses of the insurer and reserves. This gives the consumer the right to actually see the insurance industry's records. This would make the insurance industry prove that it is losing money because of too many claims.

Also, the Director of the Department of Insurance is directed to assess the condition of the property/casualty insurance industry in Illinois. He will look at the relationship between premiums and investment income on one hand and costs and expenses on the other. In order to complete the study, the insurance industry will be required to release loss information specific to Illinois, as well as the nation as a whole. Based on this study, the Director is requested to develop an insurance cost containment package for the state.

LOCAL GOVERNMENT SELF-INSURANCE POOLS AND REINSURANCE

Insurance pools were one of the key provisions that consumers were requesting . By being able to participate in a pool, local governments will have access to insurance at affordable prices. Under the new law local units of government would be allowed to participate in insurance pools for liability insurance and reinsurance. These insurance pools will provide needed competition to the private market.

PUNITIVE DAMAGES

The insurance industry wanted to eliminate punitive damages even though it is impossible to insure against them. Consumers wanted to keep them because in many cases it was the punitive damages that forced companies to modify unsafe products or remove them from the market. The Dalkon Shield and the Ford Pinto are two notable examples of how punitive damages help the consumer. The new legislation does not eliminate punitive damages but the plaintiff must establish a reasonable likelihood of proving facts that would support an award of punitive damages at a hearing before the trial. If there is a likelihood then the plaintiff may sue for punitive damages.

COMPARATIVE NEGLIGENCE

In one of the major concessions to the insurance industry, the General Assembly agreed to some changes in comparative negligence. Under the new law, negligence and product liability cases will be based on strict liability, with recovery barred when the plaintiff is over 50% at fault. Where the plaintiff is 50% or less at fault, the award will be reduced by an amount in proportion to the fault of the plaintiff.

There are other changes in the law but these are the major ones. It is interesting to note that many of the initial insurance industry proposals, like putting caps on liability awards and major changes in product liability law, did not even make it to the final bill. The consumer's major piece of legislation calling for insurance rate regulation also was not included. However, this legislation has been tabled and may be voted on in the future if the insurance industry gets greedy again.

The consumers have once again shown that they can make a difference when they are organized. When the insurance battle started few people believed that the insurance industry would not get exactly what it wanted. The combined voices of consumers across this state made the legislators in Springfield listen.

C-U Hospital Costs Highest In Area

A recent study by the Illinois Health Care Cost Containment Council conveyed grim news to health care consumers in Champaign County. Entitled "A Report of Selected Prices at Illinois Hospitals", the study showed that the average cost of a hospital stay in Champaign-Urbana is nearly 53% above the statewide norm, and from 10 to 35% higher than other nearby metropolitan areas.

Hospital costs in metropolitan areas are generally higher than in rural areas. For example, the Chicago area has the highest costs in the state. Even allowing for this, Champaign-Urbana hospitals still receive considerably more revenue per in-patient day than comparable metropolitan hospitals in east central Illinois (see Table I).

These figures attain greater significance when one realizes that the average length of a hospital stay is 7.6 days, both in Illinois and nationwide. This means that the average cost of a hospital stay in Champaign-Urbana is some $2000 higher than the statewide figure, and from $600 to $1600 higher than in other nearby cities.

What the study also shows is that the greatest difference in costs is not, as might be expected, in the area of specialized services such as lab tests, or use of special facilities like intensive care units or delivery rooms. Champaign-Urbana hospitals compare favorably in these categories

Instead, the largest cost differential is to be found in the most basic (and hence most commonly used) hospital services: the hospital room itself and use of the emergency room. In each case, the minimum charge in Champaign-Urbana for these services already exceeds the averages in the other three cities

Unfortunately, one thing the figures do not indicate is why this cost differential exists. Local variations in costs of living, labor, property, etc., are not significant enough by themselves to account for such a large range in hospital costs. In fact, it is probable that numbers alone will never fully explain the whys and wherefores. But it should be noted that during much of the 1970s when hospitals were adding excess beds and consumers were objecting to unnecessary expansion, consumer advocates projected that overexpansion would ultimately mean higher costs.

Anyone interested in learning more may obtain a copy of the complete report (free of charge) directly from the Council by calling their toll-free consumer hotline at 1-800-325-9564.

...during much of the 1970s when hospitals were adding excess beds and consumers were objecting to unnecessary expansion, consumer advocates projected that overexpansion would ultimately mean higher costs.

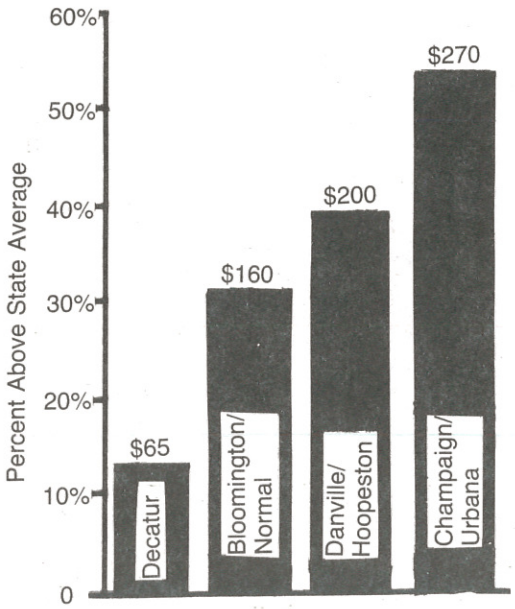


Table I. Average Patient Revenues Per In-Patient Day above State Average Of $510

HOSPITAL OVERBEDDING

Coalition Continued from Page 6

be used as a staging ground for a nearby nursing home facility trying to get "scabs" to cross a SEIU picket line. The coalition organized a picket line of that hospital to illustrate HCA's attitude toward organized labor.

The Coalition was also able to use hearings for the CON process and for the proposed legislation to gain media coverage. They brought in expert testimony to refute HCA's claims.

These tactics and the strong coalition that was organized resulted in the favorable decision in the CON process to keep HCA out. It also resulted in the passage of the one year moratorium on the HCA rehabilitative center by the Rhode Island legislature. The governor vetoed the moratorium, but the CON decision means victory, HCA cannot not come into Rhode Island.

The victory is far from final however. HCA is now appealing seeking to overturn the CON decision. While the coalition is optimistic, it knows that Rhode Island won't be safe from for-profits health corporations until some form of a ban is passed. That will be the coalition's priority for 1987.

Champaign County
Health Care Consumers
124 N. Neil
Champaign, Illinois 61820

Address Correction Requested

Non-Profit Org.
U.S. Postage
PAID
Permit No. 751
Champaign, Illinois