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Boston University
STATUS OF THE UNIVERSAL HEALTH-CARE LAW

Boston, Mass.--Eighty-four percent of the new money promised under the universal health-care law is for services for hospitals' already insured patients rather than for improving access, and the projected amount of money that will be provided for access will be less than two-thirds of what was originally promised, according to data from the Second Monitoring Report on the law, known as Chapter 23 (C. 23) or the "Health Care for All" legislation. Researchers at Boston University School of Public Health (BUSPH), who are monitoring the law, say the way the law allocates funds does not correspond to public perception of it as a law that emphasizes access, and that cuts in access could mean that services for the uninsured in the state could actually decline below levels that prevailed before the law was passed.

Advance data from the Second Monitoring Report indicate that: hospitals are receiving the money they were promised under the law; state failure to pay the promised amount for access will seriously harm access for many; and while lawmakers have considered cutting or postponing many of the law's access provisions, hospital financing provisions have received little attention.

Almost from the start of legislative debate, C. 23 combined hospital financing and access provisions. However, the amount of new money that will go to hospitals over the next four years is three times higher than the figures publicly discussed, because the discussed figures did not take into account the fact that each year's increase becomes part of the next year's base. BUSPH researchers project that over the first four years hospitals will receive 7.6 times more new money for services for the already insured compared with the amount of money allotted for access for the uninsured. Most of this

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new money (94 percent) comes through rate increases to private payors.

At the same time, the researchers project that the amount allocated for access (of which 89 percent is publicly financed) will be funded at less than two-thirds the originally promised level, which was, from the outset, substantially lower than new money promised for the already insured. According to Alan Sager, Ph.D., an associate professor of public health at BUSPH and principal author of the report, cuts in funding for access could seriously harm access for many of the uninsured and would be a blow to hospitals and health centers who have been trying to serve the uninsured.

"The report does not suggest that hospitals are receiving enough or too much money," says Sager. "But if state government and private parties are unable to cover the cost of business as usual for the state's hospitals in 'good times,' what will happen if the economy suffers a recession?"

Sager says important questions, such as how to keep all hospitals operating and providing care to all citizens in need, must be addressed now. "The state has made a commitment to access to health care and should not balance the state budget on the backs of the poor," cautions Sager. He believes that enough money is already being spent on health care but that health-care dollars must be allocated differently. He urges that physicians and hospital administrators work together to make the hard decisions and clinical trade-offs needed to ensure that the 18 billion dollars we spend on health care this year is sufficient for everyone.

C. 23 was designed to provide phased-in health coverage for the state's uninsured. Under the law, businesses would be required to provide health coverage for their employees by the year 1992. Small businesses with fewer than six employees would be exempt; those employees would be covered by state funds.

BUSPH researchers are continuing to monitor implementation of C. 23. The Second Monitoring Report will be published in September.