



# E-News

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The Wisconsin Public Health and Health Policy Institute's E-News is available monthly during the academic year. Check our website for additional information and updates: <http://www.pophealth.wisc.edu/wphi>

### Request for Submissions:

Please help us to help you stay up to date on what kinds of health policy research are going on in Wisconsin. To include your events, research or other important public health or health policy research activities in a future issue of the Institute's E-news, or if you have any comments about this publication, send an e-mail to Judy Knutson at: [jaknutso@facstaff.wisc.edu](mailto:jaknutso@facstaff.wisc.edu).

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## State News

### Governor Doyle Launches Expanded Prescription Drug Website

In late February, Governor Jim Doyle launched an expanded website to allow Wisconsin citizens to purchase prescription drugs from Canadian pharmacies the state has visited and found to be safe, reputable, and reliable. Wisconsin and Minnesota are the only two states in the country to have such a website. By accessing this web site, Wisconsin consumers will have the opportunity to make an informed decision among all the options available to them, as well as find significant savings on some of the most frequently prescribed drugs. In mid-February, a team of state officials led by Department of Health and Family Services Helene Nelson visited three pharmacies in Canada and recommended to the Governor that these three pharmacies be included in the Wisconsin website. To read the press release: <http://www.thewheelerreport.com/releases/Feb04/Feb25/0225govdrugweb1.pdf>

To access the web site: [www.drugsavings.wi.gov](http://www.drugsavings.wi.gov)

### Wisconsin Employers Reconsider Health Insurance Coverage for Working Spouses

California-based WellPoint Health Networks Inc., which last year acquired Cobalt Corp., the parent company of Blue Cross Blue Shield of Wisconsin, Milwaukee, introduced a plan in fall 2003 to limit health benefits eligibility for the spouses of its 20,000 employees. This cost-saving strategy, most commonly referred to as, "spousal carve-out," or "working spouse provision," requires that if a working spouse is eligible for health insurance through his

or her employer, then the spouse must enroll in that plan and is no longer eligible for coverage under the spouse's employer. However, Wisconsin insurance law prohibits spousal carve-out provisions for fully insured plans, so those employees who've selected to participate in the fully insured plan have the option of having their spouses covered at an additional premium cost. WellPoint's executives predict the spousal carve out strategy will become more common nationwide. To read the entire article: <http://milwaukee.bizjournals.com/milwaukee/stories/2004/02/23/focus1.html>

### **Legislation Addressing Shortfall in Medicaid Funding Signed by Governor Doyle**

Late last week, Governor Doyle and Legislative Leadership announced an agreement to help cover the expected Medicaid shortfall. The agreement will fund Medical Assistance for the elderly, address funding shortfalls in the Office of the State Public Defender and state district attorneys, and eliminate the state's current budget deficit. The Governor noted that the agreement takes advantage of historically low interest rates to provide revenues, and is in line with what many states across the country have done to protect health care.

The bill, passed and signed last week, uses debt restructuring to cut interest payments by \$175 million in FY 2004 and puts \$122.5 million into Medicaid (as well as addressing some other holes in the 2003-05 budget). It is only a partial fix, addressing only one-third of the current Medicaid deficit.

Wisconsin's efforts have been highlighted nationally by the Kaiser Family Foundation, which found that Wisconsin was the only state that employed every Medicaid cost containment strategy identified by that organization. To read the press release: <http://www.thewheelerreport.com/releases/Feb04/Feb27/0227govmedassist.pdf>

For an outline of the agreement:

<http://www.thewheelerreport.com/releases/Feb04/Feb25/0225govmedagree.pdf>

### **Governor Doyle highlights need to reign in long-term care costs in Medicaid**

At the press conference announcing the Medicaid compromise and in a subsequent press release, the Governor acknowledged that the bill "is not a total solution." "...The Governor said there are three major components needed to complete a long-term solution of Medicaid. The first item includes help and assistance by the federal government. Secondly, the state must improve its current Medicaid system and find savings. Thirdly, the state will look at its revenue projections for the next biennium to determine what is available.

"Doyle said the long-term solution is not just a state solution but will include national changes. The most costly part of the state's Medicaid system is long-term nursing home care. He hopes to find a solution where elderly and needy people are able to stay in their homes and have services brought to them in their communities rather than putting people in nursing homes."

<http://www.jsonline.com/news/state/feb04/210385.asp>

### **WI Collaborative for Healthcare Quality Expanding Participation**

The Wisconsin Collaborative for Healthcare Quality announced that it's ready to open its doors to any Wisconsin health care provider willing to meet its criteria for participation. The collaborative is a group of hospitals, physician groups, large businesses and a labor union formed to develop a list of 42 measurements that are being used to judge the quality of health care at the collaborative's nine participating health care providers. "Our goal is to be open and transparent, and have a system in which everyone can play," said John Toussaint, chairman of the collaborative. Toussaint said the collaborative never intended to permanently exclude other hospitals and physician groups. However, the group's original members believed they had to limit their group's size initially to get the project going. To read the entire article: <http://milwaukee.bizjournals.com/milwaukee/stories/2004/02/16/story7.html>

### **Wisconsin HMOs Receive a Comparatively Low Percentage of Federal Medicare Dollars**

Medicare HMOs are a key portion of the Bush administration's plan to expand the role of the private sector in the government's health insurance plan for the elderly. Wisconsin Medicare HMOs will receive only a 2% increase in annual federal Medicare funding to be used for benefits improvements for their members, while the average increase nationally will be 10.6%. HMOs in other parts of the country will use the federal Medicare dollars to offer dramatic

reductions in co-payments and premiums as well as improved prescription drug benefits. As a result of the low reimbursement in Wisconsin, HMO products here offer few benefits beyond traditional Medicare. Only about 12,000 of Wisconsin's 702,000 seniors are enrolled in Medicare HMO plans, which vary in types and costs. Members of Congress from Wisconsin and advocacy organizations have worked unsuccessfully for years to change the formula, which favors states with more political clout. To read the full article:<http://www.jsonline.com/news/state/feb04/210724.asp>

### **Wisconsin Medicaid Program Expands to Improve Dental Services**

Governor Doyle announced last week that the Wisconsin Medicaid program will be expanded to pay pediatricians and other medical staff for the costs of fluoride varnish applications during pediatric clinical visits. The Wisconsin Department of Health and Family Services offers varnish application training for medical providers through the Division of Health Care Financing and the Division of Public Health. A Department of Health and Family Services report entitled *Wisconsin Medicaid: Measures of Dental Services FY 2003 (July 2002 June 2003)*, documents the discrepancy that exists between the number of Medicaid eligibles and the number of Medicaid eligibles actually receiving dental services. In fiscal year 2003, there were 586,472 total Medicaid eligibles with only 130,142 (22%) of Medicaid eligibles that received dental services.

To read the press release:

<http://www.thewheelerreport.com/releases/Feb04/Feb27/0227primaryhealthdental.pdf>

### **State Senator Proposes Constitutional Amendment Declaring Right to Health Care**

State Senator Tim Carpenter (D--Milwaukee) introduced SJR 66, to amend Wisconsin's Constitution to add adequate, accessible, and affordable health care to the list of matters protected as fundamental rights under our Constitution. "This right is to be ensured by the state," said Carpenter, "and under this Amendment, it will be the Constitutional duty of the legislature to enact the laws for the providing of this health care." To read the press release: <http://www.thewheelerreport.com/releases/Feb04/Feb25/0225carpenterhealth.PDF>

### **AB 290 Advances: Calls for Tax Deductions for Paying Own Health Insurance**

State Rep. Eugene Hahn, (R--Cambria) authored Assembly Bill 290, which would increase the tax deduction for those people who pay for their own health insurance from 50 percent of the premium to 100 percent. Today, a business that pays all or part of employee health insurance premiums already receives a 100 percent deduction for tax purposes. The Bill was approved 14-0 by the Assembly Committee on Health last week, and has been forwarded to the Joint Survey Committee on Tax Exemptions. To read the press release: <http://www.thewheelerreport.com/releases/Feb04/Feb25/0225hahnhealthins.PDF>

### **UW Medical School's Michael Fiore Released a National Plan to Reduce Smoking**

Top public health organizations came together in early February to announce a National Action Plan to address tobacco's toll in the United States, especially on minority and lower-income Americans. The 10-point action plan provides the necessary steps -- both federal initiatives and public-private partnerships -- to help five million Americans quit smoking within one year and, ultimately, prevent approximately three million premature deaths. The plan, *A National Action Plan for Tobacco Cessation*, outlined at a press conference at the National Press Club in Washington D.C., by Dr. Michael Fiore, professor of medicine at the UW Medical School and Director of the Center for Tobacco Research and Intervention, is featured in the February edition of the *American Journal of Public Health*, released today. The Journal, which is devoted to tobacco and disparities, also includes an editorial by three former U.S. Surgeons General endorsing the plan.

To read the press release: <http://www.thewheelerreport.com/releases/Feb04/Feb3/0203uwctrismoke.PDF>

To read the Capital Times article: <http://www.madison.com/captimes/news/stories/66655.php>

To read the plan: <http://www.ctri.wisc.edu/>

### **Commissioner of Insurance Warns WI Resident's about Discount Health Plans**

The Office of the Commissioner of Insurance (OCI) is warning all Wisconsin residents to be leery of faxes and advertisements that offer health care for an entire family or small business for very low monthly payments. "Rates that sound too good to be true, almost always are," said Jorge Gomez, Commissioner of Insurance. "These \$50-70 offers are not health insurance policies. Instead, they provide discounts off health care services. These discount plans often make grossly inflated promises about savings and benefits. Some providers are not even aware that they are listed in these plan advertisements, and therefore

may not agree to accept the discount cards." Consumers who have questions concerning discount plan advertisements they have received or who are evaluating similar offers are encouraged to call the OCI Information and Complaints Hotline at 1-800-236-8517 for information about the limitations of the cut-rate plans.

To read the press release: <http://oci.wi.gov/pressrel/0204health.htm>

### **Wisconsin Farm Bureau Women Recognized for "We Care about Health Care" Campaign**

The Wisconsin Farm Bureau Federation Women's Committee has received special recognition by the American Farm Bureau for last year's "We Care About Health Care" letter writing campaign to state legislators on health care initiatives. The award recognizes the Wisconsin Farm Bureau Women's Committee for the difference they made in increasing the awareness of health insurance affordability for farmers in Wisconsin. The letter writing campaign resulted in hundreds of farm women who contacted state legislators urging them to support the "Co-op Care" bill that was signed into law in December, changing the financial eligibility standard for coverage through Badger Care, and allowing farmers to be eligible for health insurance through the state employee health insurance program. To read the press release:

<http://www.thewheelerreport.com/releases/Feb04/Feb6/0206farmwomenhealth.pdf>

### **Senate Democrats Focus on Health Care, Call for Action on Several Health Care Bills**

Senate Democrats are calling for action on health care bills that have been languishing in committee. They highlighted 10 proposals in the hopes of prodding the Republican leadership into moving forward with the most urgent legislation. According to Senate Democrats the Republican leadership is ignoring health care legislation. This includes efforts to import prescription drugs from Canada, expand health care for school children, open health care plans to any willing provider, end forced overtime for professional health care workers, and reinforce SeniorCare. Some of the abandoned legislation has collected dust for nearly an entire year without receiving a public hearing. To read the press release: <http://www.thewheelerreport.com/releases/Feb04/Feb10/0210sendemshealth.PDF>

To read the list of bills:

<http://www.thewheelerreport.com/releases/Feb04/Feb10/0210sendemslst.PDF>

### **Commissioner of Insurance Issues Alert about Early Retirement and Health Care Costs**

As employers attempt to trim costs, early retirement packages are becoming common. The Office of the Commissioner of Insurance (OCI) is warning would-be retirees to make sure they have considered all the potential health care costs associated with early retirement. Health benefits for retirees are not guaranteed and could be terminated at any time. Premiums can also increase significantly. These often-overlooked facts leave many scrambling to find health insurance coverage when their former employer decides to make changes in retiree group health plans. According to OCI, health insurance premiums can quickly consume a significant amount of one's retirement budget, providing unforeseen financial strain. Information about health insurance as well as over 30 consumer guides to insurance are available from OCI by calling 1-800-236-8517, by e-mailing [information@oci.state.wi.us](mailto:information@oci.state.wi.us), or by visiting <http://oci.wi.gov>

To read the press release: <http://www.thewheelerreport.com/releases/Feb04/Feb23/0223ociretirement.pdf>

## **Research & Tools**

### **Updated WI Interactive Statistics on Health (WISH) Modules**

WI DHFS recently added 2002 data to the Bureau of Health Information data query system WISH (Wisconsin Interactive Statistics on Health). Modules currently available include Infant Mortality, Population, Mortality, Injury Mortality, and five modules based on birth data. <http://dhfs.wisconsin.gov/wish>.

### **Medical Expenditure Panel Survey Web Seminar Set for April 20**

Register now for a free 2-hour Web-assisted audio conference on AHRQ's Medical Expenditure Panel Survey (MEPS) on Tuesday, April 20, from 1:00 p.m. to 3:00 p.m., EST. The seminar, "MEPS: The Fundamentals," is an introductory course providing a technical orientation to the MEPS. Learn how to access and use MEPS data and documentation, distinguish among different levels of files, identify variables of interest, and understand basic concepts needed for merging and pooling MEPS data files. To access the complete program and registration information: <http://www.academyhealth.org/cyberseminars/live/>

### **AHRQ Calls for Nominations of Topics for Evidence-based Practice Centers**

AHRQ invites nominations of topics for evidence reports and technology assessments relating to the prevention, diagnosis, treatment, and management of common diseases and clinical conditions, as well as topics relating to the organization and financing of health care. Nominations of topics are due by April 16. Select to access the February 25 Federal Register announcement: <http://a257.g.akamaitech.net/7/257/2422/14mar20010800/edocket.access.gpo.gov/2004/04-4097.htm>

## Events

### **The Wisconsin Partnership Fund for a Healthy Future Training Sessions**

The UW Medical School and the Oversight and Advisory Committee (OAC) have made revisions to the Request for Partnerships (RfP) for the Community-Academic Partnership Fund based on public comments and committee discussion. This revised version, the Final Draft, has also been expanded to include application forms, which are found in the Grant Application Appendix. The (RfP) will be discussed in detail at the upcoming Wisconsin Partnership Fund for a Healthy Future training sessions scheduled for seven cities across the state. For locations, dates and times, please visit: [http://wphf.med.wisc.edu/agency\\_training\\_programs.pdf](http://wphf.med.wisc.edu/agency_training_programs.pdf)

Please note, that this is NOT a call for proposals. No funding is currently available. The RfP process will not commence until the five-year plan has been approved by the Wisconsin United for Health Foundation and funds have been disbursed to the University of Wisconsin Medical School.

For more information about Partnership Fund:

<http://wphf.med.wisc.edu/index.php>

## Reading Room

### **Medicare Reform: A Central Campaign Issue for 2004 Presidential Candidates**

Medicare reform continues to be an important campaign issue that highlights differences between Democrats and Republicans, as well as among the leading Democratic candidates. Both Kerry and Edwards are opposed to the Medicare prescription drug benefit law (HR 1) referring to it as a byproduct of powerful corporate special interests in Washington, which gives private insurers money to draw seniors away from the traditional Medicare and into managed care. Kerry and Edwards also said that they would repeal sections of the law that prohibit the government from negotiating drug prices with manufacturers and from importing lower-priced, U.S.-made prescription drugs from Canada. The Bush administration had planned to highlight the Medicare reform on the campaign trail as a major domestic policy achievement. However, Bush has had to defend the law since the administration's budget estimates predict that over the first 10 years the benefit will cost \$134 billion more than the previous \$400 billion estimate.

<http://bcbshealthissues.com/proactive/newsroom/release.vtml?id=62081>

For more information on the candidates and their healthcare platforms, visit Healthcare Politics 2004 at <http://bcbshealthissues.com/election2004/>

### **New Medicare Cost Estimate \$140 Billion Higher**

New administration estimates show that the Medicare prescription drug bill will cost about \$140 billion more than the approximately \$400 billion assumed when the legislation was passed and signed. To read more:

<http://www.bcbshealthissues.com/proactive/newsroom/release.vtml?id=60868>

### **More Senators Call for Reopening of Medicare Law over Cost Estimates**

New administration estimates showing that the Medicare bill could exceed previous estimates have prompted some Senators to call for reopening the law this year.

<http://bcbshealthissues.com/proactive/newsroom/release.vtml?id=61521>

### **Medicare Ad Campaign will be pulled if GAO Deems it Political**

HHS Secretary Tommy Thompson defended a taxpayer-funded Medicare ad designed to educate consumers on the new Medicare law, but says he will pull the ad if a GAO inquiry deems it political. Democrats have taken issue with the campaign, saying it misrepresents what the law does in an effort to boost President Bush's chances for re-election.

<http://bcbshealthissues.com/proactive/newsroom/release.vtml?id=61614>

### **New Survey Indicates that Seniors are Confused about Medicare Changes**

A survey by the Kaiser Family Foundation shows seniors are confused about the outcome of the Medicare prescription drug debate and the prescription drug law. While about two-thirds of seniors report following the debate closely, just 15% say they understand the new prescription drug law very well and almost seven in 10 don't know that it passed and was signed into law. The January/February Kaiser Health Poll Report survey shows just how big a challenge it will be to educate seniors about the new Medicare prescription drug law. The drug benefit will not take effect until 2006 and clearly confusion exists, but currently a majority of seniors have an unfavorable impression of the law.

Findings from the survey are available on the Kaiser Family Foundation website at: <http://www.kff.org/kaiserpolls/pomr022604pkg.cfm>.

### **Understanding Medicare**

Learn more about how the changes to Medicare impact your health benefits in the "Understanding Medicare" feature from BCBSHealthIssues.com. This week, learn more about subsidies, formularies, pharmacy networks and quality assurance measures.

<http://bcbshealthissues.com/medicare/legislation/>

### **Kaiser releases report of Women's Health Insurance Coverage by State**

Health insurance remains a critical issue for women - nationally 16 million women lack coverage. To provide up-to-date statistics on women's coverage at the state level, the Kaiser Family Foundation is releasing a new fact sheet on women's health coverage for the years 2001 and 2002. Nationally, 17.7% of women ages 18 to 64 are uninsured. Among the states, the uninsured rate varies considerably. Among low-income women with incomes below 200% of poverty, more than one-third are uninsured.

<http://www.kff.org/womenshealth/loader.cfm?url=/commonspot/security/getfile.cfm&PageID=30919>

### **Greenspan Recommends Cutting Social Security and Medicare**

Federal Reserve Chairman Alan Greenspan weighed in on the debate over Social Security and Medicare by suggesting yesterday that Congress scale back future benefits, saying America could not afford the programs. The impending retirement of baby boomers, those born between 1946 and 1964, will swell the ranks of retirees. If unconstrained, the resulting growth in Social Security and Medicare costs could require tax increases so large that they would undermine the economy, he said. Both Democrats and Republicans agree that there is a problem, yet criticized Greenspan's proposals. President Bush said Social Security benefits "should not be changed for people at or near retirement." The solutions for this budget problem are likely to be a big issue in the upcoming presidential campaign, but not likely to be addressed until next year.

To read the entire article: <http://www.philly.com/mlld/inquirer/news/nation/8041872.htm>

### **Bush Nominates FDA Chief McClellan To Head CMS**

In late February, President Bush nominated FDA Commissioner Mark McClellan to serve as the new CMS administrator. As CMS administrator, McClellan will be responsible for Medicaid and Medicare, which together provide about \$700 billion annually in benefits to an estimated 83 million people. To read more: <http://cme.kff.org/Key=1989.CQ.D.D.M7K87L>

### **Kaiser Commission Releases Two New Reports on Medicaid**

With the Centers on Medicare and Medicaid Services increasing its scrutiny of financing issues in the Medicaid program, the Kaiser Commission on Medicaid and the Uninsured is releasing two reports on the financing and fiscal management of the Medicaid program.

The first, "Financing the Medicaid Program: The Many Roles of State and Federal Matching Funds," describes Medicaid's state-federal matching structure, which has been a central component of financing health and long-term care coverage for millions of low-income Americans since the program was created in 1965. The paper describes this financing structure and examines its implications for states, the federal government, and health coverage of the low-income population. This new report is available online at: <http://www.kff.org/medicaid/7000.cfm>

The second report, "Medicaid's Federal-State Partnership: Alternatives for Improving Financial Integrity," evaluates the current financial management of the Medicaid program and suggests ways to improve fiscal integrity. Using existing models from the private sector and the government, the paper, written by a former CMS official, identifies alternatives to improve Medicaid's financial management within Medicaid's existing financing structure. The alternatives would reduce the Medicaid program's exposure to questionable practices, help control federal costs, and make the financial management of the program comparable with that of the private sector. This report is available at: <http://www.kff.org/medicaid/7027.cfm>

### **New Study on American Indian / Alaskan Indian Health Care Needs**

The health care needs of the 4.1 million people who report American Indian/Alaska Native (AI/AN) ancestry are rarely prominent in national health policy discussions. A new study by researchers from the Urban Institute, the University of Arizona, and the Kaiser Family Foundation examines the role of the IHS for the uninsured and identifies some of the health policy challenges that affect Native Americans. More than a third (35%) of AI/ANs are uninsured and the problem is worse among low-income AI/AN people. The reach of the IHS is limited with less than half of uninsured AI/ANs identifying IHS as a source of coverage and care. Specifically, the study analyzes data from the 1997 and 1999 National Survey of Americas Families (NSAF). An abstract of the study is available at: <http://www.ajph.org/cgi/content/abstract/94/1/53>

The Kaiser Family Foundation also released two related products, a fact sheet, "American Indians and Alaska Natives: Health Coverage and Access to Care," and an issue brief, "Legal and Historical Roots of Health Care for American Indians and Alaska Natives in the U.S" by Brett Lee Shelton, that describes the major historical events and policy choices that led to today's AI/AN health system. Both of these are available at: <http://www.kff.org/minorityhealth/access020604pkg.cfm>

### **Health Care Spending Projected To Nearly Double in the Next Decade**

Despite a projected slowdown in its rate of growth, U.S. health care spending will reach nearly \$3.4 trillion in 2013, nearly doubling in the next decade and consuming close to one-fifth of the nation's economic output, according to new federal government projections published in a new *Health Affairs* article. In an annual forecast of health care spending trends, Stephen Heffler and colleagues from the actuary's office at the Centers for Medicare and Medicaid Services write that while it is projected to slow, health care spending is still expected to grow faster than the economy over the next 10 years. The projection does not incorporate changes to federal payment policies mandated under the Medicare Prescription Drug Improvement and Modernization Act of 2003 (MMA). "From 2006 to 2013, the impact of MMA on aggregate drug spending growth is uncertain," Heffler says. "However, we can expect a shift in payment from private sources and Medicaid to Medicare, most of which will occur in 2006 with the introduction of Medicare drug coverage." To read the article: [content.healthaffairs.org/cgi/content/abstract/hlthaff.w4.79](http://content.healthaffairs.org/cgi/content/abstract/hlthaff.w4.79).

A webcast of the briefing along with materials being released can be found on Kaisernetwork.org at: <http://www.kaisernetwork.org/healthcast/>

[healthaffairs/11feb04](#)

### **IOM Report Says U.S. Medical Profession Does Not Reflect Growing Minority Population**

The report examines institutional and policy-level strategies--defined as specific policies and programs of health professions schools, their associations and accreditation bodies, health care systems/organizations, and state and federal governments--to increase diversity among health professionals. Addressed in the report are an assessment and description of the potential benefits of greater diversity among health professionals and an assessment of strategies that may increase diversity in five areas including: (1) admissions policies and practices of health professions education institutions; (2) public (e.g., state and federal) sources of financial support for health professions training; (3) standards of health professions accreditation organizations pertaining to diversity; (4) the "institutional climate" for diversity at health professions education institutions; and (5) the relationship between Community Benefit principles and diversity.

The report is available at: <http://www.iom.edu/report.asp?id=18287>

### **HHS Announces National Smoking Cessation Quitline Network**

HHS Secretary Tommy G. Thompson announced plans to establish a new HHS toll-free telephone number that will serve as a single access point to a national network of smoking cessation quitlines. This will help provide all smokers in the United States access to the support and tools they need to quit smoking. Scientific evidence, reported in the PHS Guideline *Treating Tobacco Use and Dependence*, shows that quitlines are an effective tool to help smokers quit.

To read the HHS press release: <http://www.hhs.gov/news/press/2004pres/20040203.html>

The national network of smoking cessation quitlines is complemented by the HHS Web site which provides access to quitline numbers currently offered by individual states and NCI: <http://www.smokefree.gov/>

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