

SEPPIAN

Winter Issue

DARING TO TELL THE TRUTH ABOUT HEALTH CARE

The newsletter of the Society for The Education of Physicians and Patients

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President's Corner

Getting The Message Out

The election is over and now that we have a fighting chance, the fight has begun. How often we have heard Al Gore say, "I'm going to fight for you, I'm going to fight for the working man and working family."

Who are the working men and women, or better yet, who aren't the working men and women and who is this fight against? This just demonstrates another ploy of politicians to superficially define victims and those who cause their victimhood. It then serves as the basis for political fodder and demagoguery in which Americans are played one against the other for another political cycle. What fight is it? Is it the rich against poor, the black against white, the nameless bureaucrat against the hapless victim of "politics" and red tape, "the privileged" against the "common man"; the old against the young? At any given time it can be some or all of the above if it conveniently gives politicians "the issues" to make their self-serving case. We heard the issues about the uninsured, the cost of health

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Four Years of MSAs: The Lessons So Far

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MEDICAL SENTINEL VOLUME 5 NUMBER 6- NOVEMBER/DECEMBER- 2000

The Medical Savings Account (MSA) pilot program expires at the end of this year (2000) unless Congress acts soon to extend it. (*nota bene* it has been extended but now needs to be amended—editor)

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) allowed small employers and the self-employed to set up a tax-favored savings account to pay for routine medical expenses, provided they also have an insurance plan that meets some very specific requirements. The requirements include a very narrow range of allowable deductibles and strict limits on other cost-sharing provisions and MSA contributions. The limitations and restrictions make the program needlessly complex and hard to understand for both insurance brokers and customers. And the fact that the pilot program was limited to four years, and available only to a small segment of the insurance market, has discouraged many insurance providers from participating.

To date, only about 100,000 "qualified" MSAs have been established (*recently it increased -SEPPIAN V.6-issue 2.P.5*), so conducting the kind of formal evaluation that Congress originally intended is difficult. However, information gathered and research developed over the past four years helps to answer critical questions about the MSA program.

Are MSA Regulations Too Rigid and Complicated?

Congress was far too prescriptive in program design. For example, HIPAA set the deductible to fall within a very narrow range (between

\$1,500 and \$2,250 for individuals). But no one had studied the market to determine the "best level," and because the law was so restrictive it was impossible for insurers to adjust to meet market demands. Some people already had deductibles of \$5,000 or

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care, the need for prescription drug programs and a patient bill of rights. These are again examples of politicized issues that fragment the medical community by recommending yet more bureaucracy. And there are other areas such as education, race, the family, gays, gender discrimination, etc., some with real substance and others serving only political ends.

In healthcare, the victim is the “working family” and the common man. The culprits are the government and the legislative process that continue the discriminatory tax law that favors purchase of healthcare by employers, not individual citizens. It has created today’s managed care environment and caused much of the problem of the uninsured. For senior citizens the lies of The Great Society programs like Social Security and Medicare are surfacing. These forces and policies fragment the physician—patient relationship.

For Black and White the notion of hate crimes (as though some violent crimes don’t involve destructive passions) foster racial animosity. When was the last time you heard about a “black on white” hate crime? Affirmative Action just creates a potential new pool of victims -it’s the nouveau discrimination. In a contrived war of color, Jesse Jackson stirs racism in hopes of forwarding an agenda of anything but peace that most Blacks I know would find disturbing. He portrays himself as the conscience of the minorities of this country while paying support for his two year old love child and mistress. Only less can be said of Al Sharpton and his Shadow Inauguration stirring up more faction making. Their actions are divisive.

The notion of the working family vs. those that aren’t - buzz phrases in this last election- simply divides and angers those who work hard to succeed. Americans who earn more as the result of good old- fashioned hard work are labeled as capitalistic opportunists who somehow damage those of lesser income levels. We are punished for success.

We have children being played against adults with children’s rights initiatives and the rejection of

parental consent before a minor undergoes an abortion. We are redefining family to include new victim groups seeking to be recognized in same sex “marriage” with the same standing as the nuclear family. We are redefining the sexes which further undermines the family, the authority of parents, and creates a “village mentality.” High taxes are among the forces that take a spouse out of the home to work which further destabilizes the family unit. The notion that women (while they can be many things) should be all things fosters this. Education - outcomes based education- attempts to reengineer values; revisionist history and rejection of God in our schools further fragments the family and society.

Spin artists weave tales that yield a new “groupism” that fragments this country. A victim mindset is evolving, thanks to a complicit media and liberal politicians who want to control the populace by dividing it. This will facilitate their political ends as it results in taking freedom and money from groups of citizens and returning it to others for votes, or campaign funding. More importantly, as we see more Hillaryesque types saturate and pollute the political landscape, it will move them closer to their goal of overarching social engineering.

In health care we now see the physician conflicted in his/ her relationship to patients. We are aware that hospital administrators bow and genuflect to insurance companies withholding, denying, reducing, and just outright stealing. Having allowed their allegiance to shift, they create fragmentation among the physician ranks, encouraging shorter lengths of stay, exclusive drug formularies, and using hospital based physicians to police others. They have downsized the ranks of nurses, increased their workloads, and demeaned the profession. They have participated in servile fashion as have hospital boards with the fragmentation of healthcare.

The elderly are lied to by partisans with chants that describe them being thrown out into the streets and denied health care and euthanized so that pretending defenders of the Constitution and freedom can continue the Social Ponzi schemes that FDR

and Lyndon Johnson created on the backs and out of the wallets of America’s children and grandchildren.

The uninsured are portrayed as the uncared for, while hospitals and health professionals care for them as they do others. Sadly, managed care and government siphon away dollars that used to support charity care. 60% of non-profit hospitals were in the “red” last year. Canadians decry a system that is multitiered while promoting socialized health care like the 1,300 page Clinton plan and fail to confess that while most (not all-they really don’t have universal coverage) have healthcare coverage; many don’t really have access. Witness the patients who come south for health care with palpable frequency. Yet there are those who promote such a vision for healthcare.

The working family I mentioned is working for the government until May or June each year as taxes are the highest they have been since World War II. The working family struggles in its battle against bureaucracies that leach its dollars to support pay raises for our public “servants.” These Congressmen and their families have a choice of 400 health plans and are not prevented by ERISA laws from taking action against a ruthless health plan. The “working family” is not so privileged.

It’s time to get the message out and let all citizens—black and white, rich or poor, male or female, young or old, keep more of their hard earned dollars and return the freedom that politicians have taken away, poised only to return it for votes. The demagoguing, class warfare, the efforts to divide racially, and on the basis of gender and age, are created for the most part by those who are not the “working common man.”

It is time to return control to individuals and restore the American notion of *freedom coupled with responsibility and accountability* in all aspects of our American culture. Our coddled and “faultless” society must be awakened to “nanny state” politics that will rob people of their essence as individuals. In the midst of our multiculturalism we cannot let American freedom principles be diluted by the

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changing fabric of our society and political philosophies of lands left behind by those who came to America to seek the dream. A “little socialism” is the same as a “little cancer.”

Benjamin Franklin said, “Those who would give up liberty for a little temporary security deserve neither.” The maintenance of the living organism’s essential life functions is an active process. The maintenance of the essential life force of America - *freedom* - is an active process. It won’t continue unless YOU actively preserve it.

We have seen a decline of the medical school application pool by 20% over the last 4 years and nurses are just as reluctant to enter a profession that treats them like universal interchangeable technicians overseeing the work of the ever growing ranks of nurse extenders (nurse pre-tenders). Health care is dumbing down and fragmenting because of the perverse economics in which those who have nothing to do with health-care reap the benefits while those that do are under assault. It is common knowledge that few physicians would recommend to their children a career in medicine.

It is time to get the message out. It’s time to get the message out about healthcare and reunite, not fragment, patients and physicians (and allied professionals). We need tax laws that empower individual citizens, not employers, to acquire health care coverage that is not vulnerable to the vagaries of something so volatile as one’s employment. We need true insurance, not prepaid rationed health-care as we see in managed care. We need government, the author of the \$400 hammer, out of our private, medical lives. We need to empower patients with Medical Savings Accounts that give them freedom, reestablish the physician - patient relationship, and establish “medical pensions.” MSAs have been used by more than two thousand companies over the last ten years. MSAs were given an intentionally crippled beginning legislatively by elitists like Ted Kennedy and weak-minded Republicans who didn’t fight for facilitating legislation

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more and would have had to lower their existing deductible to qualify for the MSA. On the other hand, many people with lower deductibles (say, \$200 or \$250) might have been interested in gradually raising their deductible — to \$500, then \$1,000, then \$1,500 or more — as they built up MSA funds to cover the growing deductible. It would have been far better for Congress to authorize the concept in broad strokes and see how the market evolved.

South Africa, for example, has allowed for much greater flexibility in MSA program design, and the results have been striking. MSAs are now the choice of one-half of those with private insurance in that market. As an example of the flexibility, Discovery Health offers a product whose deductible applies to “discretionary” expenses but not to inpatient care or prescription drugs for chronic conditions.

Do MSAs Appeal Only to the Healthy and Wealthy?

This was probably the most common argument in opposition to MSAs. No evidence ever supported this charge, and recent research by the RAND Corporation shows that the opposite is true. The study estimated which people would choose what kind of coverage in a small group environment. They found that those who chose an MSA were on average the highest-risk people and, as *Table 1* (SEE Page 4) shows, were considerably less wealthy than those who chose HMO coverage.

The RAND researchers concluded, “HMOs are attractive to the wealthier workers” and “higher-income employees prefer to stay with the HMO.” They added, “We see that the MSA is not attractive to exceptionally good risks, as some critics have

hypothesized. Instead, these healthy people prefer to decline insurance.” In other words, the wealthiest workers prefer HMO coverage, and the healthiest workers choose no coverage at all. In addition, they say, “We find that MSAs could be desirable to workers in firms that already offer HMOs or standard FFS [Fee for Service] plans. As a result, expanding MSA availability could make it a major form of insurance for covered workers in small businesses.”

Do MSA Plans Deplete The Risk Pool?

Another frequent argument was, “MSAs will deplete the risk pool and raise rates for those left behind.” In fact, the United States has no single risk pool. It has tens of thousands of risk pools, and not one of them subsidizes the others. This simple fact of life was largely ignored until researchers from the (then called) Agency for Health Care Policy and Research pointed it out in the *Journal of Health Economics*. They said, “[Previous MSA studies] treat the employment-related health insurance market as a single entity (pool). In practice, however, the insurance market may not function as a single pool, and the insurance choices in one pool need not affect the premium in another pool.”

Are MSAs Bad for the Sick?

Still another argument was that MSAs might be good for 90 percent of the population but not for the 10 percent that consumes most of the health care in a given year. The argument might have merit if the same 10 percent consumed all the services every year. But researchers with the National Bureau of Economic Research showed that is not how it works. They examined actual claims data from a large manufacturing firm and discovered that “high expendi-

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ture levels typically do not last for many years.” They modeled an MSA-type program and found that 80 percent of employees would have at least half of their total contribution left at retirement, and only 5 percent would have less than 20 percent left. This means that most people will have a chance to build up their MSA balance before reaching a major spell of illness, and the rest will have plenty of time to replenish their MSA once the spell is over.

to cover their expenses when they do fall into this range. Further, in succeeding years they can replenish their MSA as they recover from their period of illness.

These points are reinforced by the South Africa study, which shows that MSA holders are not healthier than the general population and even the sick are better off with a well-designed MSA than with a traditional insurance plan.

Conclusion

Most of the concerns voiced about MSAs have been politically motivated and without merit. The

Table 1 Source: RAND Corporation

Health Care Spending and Family Income By Type of Plan		
<u>Plan Chosen</u>	<u>Average Health Spending</u>	<u>Average Family Income</u>
Fee for Service	\$5,853	\$34,010
MSA	\$6,710	\$36,361
HMO	\$6,163	\$47,007
Decline Coverage	\$1,399	\$32,610
Covered by Spouse	\$5,641	\$53,120

Researchers from the Urban Institute tried to measure the “winners and losers” if the country as a whole switched to MSAs. This study had problems, but the general conclusion was correct: most people would gain from a switch to MSAs, including the very healthy and the very sick. Those who would lose have moderate expenses that fall within a range for which people will pay more out of pocket with an MSA than with a traditional fee-for-service indemnity plan. This range falls roughly between \$2,500 and \$5,000 in annual spending.

But very few people fall into that narrow range of spending and fewer still stay there for any length of time. The overwhelming majority can enroll in and fund their MSAs, so that money is available

results of serious research conducted over the past four years counter every accusation. Today, most people consider MSAs to be neither a panacea nor a problem, but simply another way to allocate resources to get the most from their health care dollars. Congress needs to open up the program so that all Americans can choose an MSA.





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‘Awed’ Canadian sees election fuss as proof of America’s greatness

The electoral process determines the tone and content of healthcare reform and legislation. SEPP’s special friend and previous contributing writer for the SEPPIAN, Susan Riggs reviews the recent past.

I am a Canadian who has written in praise of American democracy for six years now.

I continue to stand in awe, not despite Nov. 7, but because of it.

Your Bill of Rights and Constitution endow you, my American neighbors, with the greatest privileges in any democracy. As a writer, I am particularly impressed by the First Amendment of your Bill of Rights, which weaves a million and one points of view into the richly textured fabric that is America.

Today, however, America and the rest of the world hang suspended over the yawning abyss of Nov. 7. Like a bad dream, we recount those same votes over and over again on our TV screens and in our minds. We are living in a time warp. like the old “Groundhog Day” movie with Bill Murray, where the lead character keeps waking up in the same town, on the same day surrounded by the same people. Only when he “gets the message” does he wake up for good.

What is our message?

I disagree with countries like China and Russia that would have the world believe that this election proves out the untenability of America’s electoral system. Quite the opposite. Nov. 7 proves that within America’s problems lies its promise; the much-disputed issues are all about citizen rights, the power of the

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A Tribute To Our Founder, and Past President -Robert Urban, M.D.



Robert Urban, M.D.
Founder and Past-President of S.E.P.P.

About eight years ago a lone voice in the devolving and embattled arena of healthcare recognized that what was once rich and fertile; that which maintained the integrity and grand tradition of American Medicine, was under attack. Freedom in healthcare was under siege in the name of “quality”, “cost-effectiveness”, “access”, and the need to control those elements of our healthcare system that supposedly compromised quality, cost, and access. Socialized medicine and managed care— two entities not much different, (except with a nationalized health system you have no exit and no relief from rationing of care) reared their ugly heads and not many (but enough) joined the fight. Older physicians looked at the finish line and decided to cross it, never looking back, and do nothing else. Younger physicians became more demoralized, discouraged their children from going into the medical profession, and for the most part acquiesced giving up on the battle for their freedom just as it was starting.

Dr. Robert Urban had other thoughts. He would not bask in the creature comforts of some twilight of life nor consider such an odious notion as retirement from the battle for freedom that so many thousands have died for; especially the freedom needed to preserve our sound practice of medicine. Unlike many, but like a few, Dr. Urban sacrificed much when he founded The Society for The Education of Physicians and Patients and created the only local organization trying to maintain freedom in medicine and promote American Principles for American Healthcare. His endless energy, his commitment to patients, his many years of practice, and dedication to all that is good in American healthcare, serves

as a beacon guiding those who will listen in the direction that will restore, protect, and preserve freedom in medicine. I want to thank Dr. Urban for what he has done and continues to do – dedicating his life, his sacred honor, and his fortune, in the critical fight for freedom in American healthcare against those forces trying to undermine it.

Dennis Gabos, M.D.

SEPP’s Meeting Schedule 2001

- Monday, February 19, 2001**
- Monday, May 21, 2001**
- Monday, August 20, 2001**
- Monday, November 19, 2001**

**All meetings start at 6:45 PM
Board of Trustees meet at 6PM**

Meetings are dinner meetings held at Tambellini’s Restaurant on Route 51 South

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individual and the endless quest of American law to address the stickiest of situations in a fair and equitable manner.

Unfortunately, some persist in tugging at the electoral wound forever, as if trying to prevent a healing. Oh, for the wisdom of Solomon! It is to be hoped that at some point, one party will surrender this Nov. 7 child, with all its imperfections to the greater good of the nation and the world. This could take time. As long as it happens in the reasonable future however, America will probably not suffer repercussions on the international front.

To those who inadvertently spoiled their ballots, I would gently remind them of their good luck in being citizens of a country where voters are able to elect a president whose name appears on the ballot. Other countries offer only circuitous voting procedures that occur with less frequency and precision than they do in America, hard to read columns and all. There is no shame in casting a mistaken ballot. There is a problem with shifting blame. While I realize that we live in a litigious age where spilling coffee on oneself means fingering a scapegoat, surely one needs to accept personal failure as the price of success. Freedom means bearing responsibility for all our actions — especially those taken in the name of freedom itself.

America has taught me that. In the end (when it gets here), we will look back on Nov. 7 as victory day for the American way.

Think about it: the road to name the most powerful world leader ends up at a few lone ballot boxes in America. Is this not the gentle flap of freedom's butterfly wing moving mountains on the other side of the world? Is it not Lady Liberty forcing us to pause and ponder in our overworked, 60 second, soundbitten world?

Election Day 2000 is proof positive that American politics may turn on a dime but American coinage remains rock solid.

THE HERALD MONDAY,
NOVEMBER 27, 2000 /

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as they did for HMOs in 1973. Indeed they didn't have the working family in mind. They had future bartering for power, votes, and funding in mind.

Get the message out to our legislators that Medical Savings Accounts must be mended, expanded, and not just extended to really help the "working families." To those who read this I make a specific request -write your two Senators and your district Congressman insisting that MSA's be a priority. Insist that they go beyond the recent two year extension; that they be made indefinite; made available for more than fifty- employee companies, that the deductibles be determined by the market and vendors, and that they be supported and facilitated as HMO legislation at its inception. The concept of Medical Savings-a high deductible comprehensive insurance coverage coupled with thousands of dollars that patients control and keep will restore freedom, access, fiscal common sense, and bring down the corporate medical malignancy that managed care is and free us eventually from the senior citizen single payer system that Medicare is.

Now you know what the fight is about-it's for freedom, less government, less social engineering, less bureaucracy, less fragmentation. Now you know whom our fight is against. It's against those who won't abide by the freedom principles that made this country great. It's against those who will continue to take from you to give to others that they may be elected. It's against those who deprive the working family of their right to pursue *Life, Liberty and Happiness*.

Edmund Burke said "*All that is necessary for the triumph of evil is that good men do nothing.*"

Do YOU want to restore freedom in Medicine? If so, do something!

Get the message of out and take it back!

Dennis Gabos, M.D.

*President of the Society for
The Education of Physicians
and Patients*

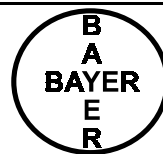
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I believe that the profession of medicine is in real jeopardy, as are the concepts of private practice , free choice, physicians' advocacy of patients and the delivery of cost effective quality medical care. I would like to be a part of the growing effort to reverse this ominous trend, and in doing so, return the healthcare profession back to its rightful owners - those receiving care and those giving it. Physicians, allied professionals and patients are the only true advocates for the best healthcare. I further support the commitment that SEPP promotes to act and respond on the basis of principle and not pragmatic survival in today's unprincipled climate.

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Questions for SEPP Call 929-5711-(Dr. Robert Urban) or Dennis Gabos, M.D. at 412-364-1994 or write - Box 32 , Monongahela, Pa.15063

The only thing necessary for the triumph of evil is for good men to do nothing.—Edmund Burke (1729-1797)

Congratulations !!!

Congratulations to Dr. Robert Urban, SEPP's founder, who recently became President-Elect of The Association of American Physicians and Surgeons and to Dr. Jim Pendleton, a member of SEPP from Philadelphia, Pa, elected to the Board of Trustees of the Association of American Physicians and Surgeons

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***Next SEPP meeting Mon., Feb. 19, 2001
Tambellini's Restaurant 6PM***

**SOCIETY FOR THE EDUCATION OF PHYSICIANS AND
PATIENTS**

The mission of The Society For The Education of Physicians and Patients is to promote the education of patients and health care professionals in order to facilitate unencumbered participation in a healthcare system that respects and nurtures patients' and physicians' freedoms, rights, and responsibilities. The Society focuses on the responsibility of the physician as patient advocate and promotes quality medical care by supporting policies that encourage freedom, choice, enhancement of the patient-physician relationship, and fiscal responsibility.