

The Adequate Health Care Task Force process — Where is the justice?

Governor Rod Blagojevich signed the Health Care Justice Act, Public Act 93-0973, into law on August 20, 2004 — a measure aiming to ensure access to quality and affordable health care for everyone statewide.

A key component of the law was the creation of a 29-member Adequate Health Care Task Force (AHCTF). Because the task force did not receive any kind of appropriation until the spring 2005 legislative session, it did not actually convene until August 1st of that year. The final report was published on January 26, 2007, almost 18 months later.

Between October, 2005 and April, 2006 more than twenty public hearings were conducted in the 19 congressional districts in Illinois to garner public input. The task force also met on many occasions during this time to hear the testimony of both stakeholders and experts who provided subject matter presentations on a variety of health care related topics.

From May, 2006 until January, 2007 the focus of the task force was the development of its recommendations with the assistance of its consultants, Navigant Consulting (www.navigantconsulting.com) and Mathematica Policy Research (www.mathematica-mpr.com). During this period of time five different models were considered. Slightly more than a simple majority of task members (16) voted to recommend a “hybrid” model that was developed by the consultants.

After having personally attended most of the task force’s meetings over 18 months I would like to offer the following observations about the AHCTF process:

1. The task force’s application of interest-based negotiation prevented meaningful discussion and

debate on a subject that everyone should agree is complex in its very nature.

2. Regrettably, most of the five stakeholders’ proposals, including the hybrid proposal that was eventually adopted by a simple majority of task force members, were not terribly informed by the broad-based

testimony from experts between October 2005 and April 2006.

3. Given recommendations made by the consultants concerning possible future market changes (i.e., collapsing rate bands in the small group market and moving to guaranteed issue in the individual

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market and mandating loss ratios), little attention seems to have been paid to the actual market conditions in Illinois. In our view, the final report's recommendations are based on underlying market assumptions that may be true in Maine, Massachusetts, Vermont, and other states that already have either destroyed or seriously damaged their commercial and individual markets, but simply are not appropriate for Illinois.

4. The consultants' analysis focused almost entirely on the financing and risk components of health care and did not give due consideration to the cost drivers underlying health care. Moreover, the consultants understated the administrative cost assumptions in their modeling for public insurance, and overstated them for the private market. Some of the task force members presented third-party data on this subject from credible sources, calling into question the overall accuracy of the assumptions used; the consultants largely ignored that data.
5. The business community is a major stakeholder in the debate over how health care should be financed, but yet it had little representation. Consider this breakdown of the task force members' professional affiliations:

Professional affiliation	#
Hospitals	6
Physicians	5
Legislators	3
Health insurance companies	2
Insurance agents	2
Labor	2
Self-employed consultants	2
Accounting	1
Nursing	1
Academia	1
Health care advocacy	1
Consumer advocacy	1
Community health center	1
TOTAL	28

6. One of the operating principles that was adopted by the task force during 2Q2006 was that possible unintended consequences of any health system changes being proposed should be taken into account. Now that the process has been completed, there is scant evidence to support that this principle was followed in any meaningful way.

7. One of the biases that was clearly frontloaded into the AHCTF process is a worldview that when it comes to the provision of health care, socialism is a superior way of allocating scarce resources when compared to the outcome achieved when free market competition is utilized. Not surprisingly, the final report approved by the task force's simple majority reflects a significant state government expansion.
8. The three stakeholders' proposals that "scored" the best — Campaign for Better health care/ Health & Disability Advocates, Single Payer, and the Consultants' Hybrid proposal — did so because of their utter reliance on employer and individual mandates, both of which are key components of the final set of recommendations that was approved by a majority.

One should also take the time to review the concerns expressed in minority report #1 that is found in Exhibit C. of the final task force report. This report, entitled "Competition and Flexibility Key to Quality, Accessible Health Care in Illinois — A Minority Report in Dissent from the Majority Recommendation of the Illinois Adequate Health Care Task Force," addresses the overall process from legislative, organizational, operational, and analytical perspectives and does a good job at pointing out obvious flaws.

Further, I will quote from two different editorials that were published in the *Chicago Sun-Times* (12/13/2006) and *Chicago Tribune* (12/18/2006) on the subject of the task force's recommendations:

— *Chicago Sun-Times* editorial ("Health insurance needs fix, but we can't afford this one")

"For the state panel that last week offered a proposal to bring universal health care to Illinois, the timing couldn't have been worse. Just two days after the Civic Committee of the Commercial Club issued a sobering report on the state's finances, the Adequate Health Care Task Force pushed a plan that would cost billions more. If the Civic Committee is right that the state isn't coming close to meeting its current financial obligations, then we can't afford a massively expensive new one."

"... Illinois must find a way to pay for its current obligations before it starts taking on new ones — even

new ones as critical as health insurance — or it will simply be passing on the day of reckoning to future generations."

— *Chicago Tribune* editorial ("Health insurance needs fix, but we can't afford this one")

"The report came just a day after a prominent business group warned that Illinois is headed toward "financial implosion." The state has \$106 billion in debt and unfunded liabilities, about \$8,800 for each resident, the Civic Committee of the Commercial Club of Chicago said. Unless something changes dramatically, that massive gap will continue to grow quickly. Piling on an expensive new health-care initiative would make a horrendous situation worse."

This brings us to the 2007 spring session of the General Assembly. Emil Jones, President of the Illinois State Senate, recently introduced SB 5, a title only or vehicle bill which is widely expected to be the legislation that will carry Governor Blagojevich's Universal Access proposal and potentially other components of the Illinois Adequate Health Care Task Force Hybrid proposal. While it is too early to predict exactly what the legislation will contain, it is significant since it is one of the first five bills introduced by the Senate President, preceded only by title bills regarding education funding, school and transportation construction and stem cell research.

Finally, as a point of reminder, our Governor promised a universal health care coverage initiative toward the end of his reelection campaign last October. Certainly not to be outdone by Republicans Mitt Romney (former Massachusetts Governor) and Arnold Schwarzenegger (current Governor of California), he is expected to provide more details regarding his Universal Access proposal during his State of the State/Budget Address on March 7th.

In closing, notwithstanding the final outcome for the task force, the Spring 2007 legislative session promises to be a very lively one from a health care perspective. We have what is amounting to a "perfect storm" on what we must do as a state about the uninsured, and increasing access to and affordability of health care. There is certainly a lot of pressure to do something. Let's just hope that "something" is not a government takeover. ■