


HTNYS


Trustee Leader

Information, policy developments, and educational opportunities for health care trustees

SPECIAL FEATURE ARTICLE

Making the Business Case for Health Care

Business Leader Is on a Mission to Strengthen Health Care and Force Health Insurers to Act Fairly and Responsibly

A prominent member of the business community, William Mooney, President of the Westchester County Association (WCA), is on a statewide mission to rally business leaders and others to fix imbalances in the health care system and to force managed care organizations to reinvest in the health care of the communities where they do business.



At an inspirational luncheon speech to statewide trustee leaders during the Healthcare Trustees of New York State (HTNYS) Annual Conference at The Sagamore in September, Mr. Mooney discussed what he and other business leaders from Westchester County—and now, from across New York State—are doing to advance health care system reforms that will help hospitals, physicians and patients.

WCA is a business organization that promotes advocacy and economic vitality within the lower Hudson Valley. It has more than 700 members—large, multinational corporations, as well as small, medium, and large businesses located in Westchester County—representing more than 300,000 employees.

“Health care represents an ever-rising cost for employers,” Mr. Mooney said. “But beyond that, health care is an important part of the infrastructure and economic vitality of our county and the state. Statewide, health care accounts for more than 650,000 jobs, with a payroll of more than \$24 billion. Clearly, health care is a big infrastructure issue.”

Two years ago, WCA formed a Blue Ribbon Task Force to study health care issues and make recommendations to ease the health care crisis. The 24-member Task Force included representatives from PepsiCo, Key Bank, Merrill Lynch, Fuji Photo Film U.S.A., Union State Bank, Pace University, and Regional News Network. The Task Force’s findings are available online at <http://www.westchester.org>.

HTNYS, collaborating with the allied associations, is presenting educational programs that feature Mr. Mooney.

For more information about these programs, visit www.htnys.org, or contact HTNYS’ Executive Director, Joanne Cunningham at jcunning@hanys.org or (518) 431-7726.

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Starting Out With a Bias

“When we got into this, we had a real bias,” Mooney told the HTNYS trustees. “And the bias was pretty simple: hospitals are mismanaged. And if you put doctors, who are not good businesspeople, with mismanaged hospitals, what do you think we are going to get? That’s what we collectively felt was the problem. And we believed that if we could get health care providers to act fiscally responsibly, health care costs could be contained and employers would benefit,” he said.

Mr. Mooney outlined how the Task Force spent more than a year meeting with everyone in the process: health care stakeholders, political leaders, the State Insurance Superintendent, physicians, etc. However, there was one major exception. One group did not—initially—want to participate and talk to the Task Force members.

“We wrote letters to all the health maintenance organizations (HMOs) and invited them into our meetings,” Mr. Mooney said. “Not one single HMO answered our letter. We then made phone calls to the HMOs. Not one single phone call was returned. Not one response. We were amazed at their arrogance.”

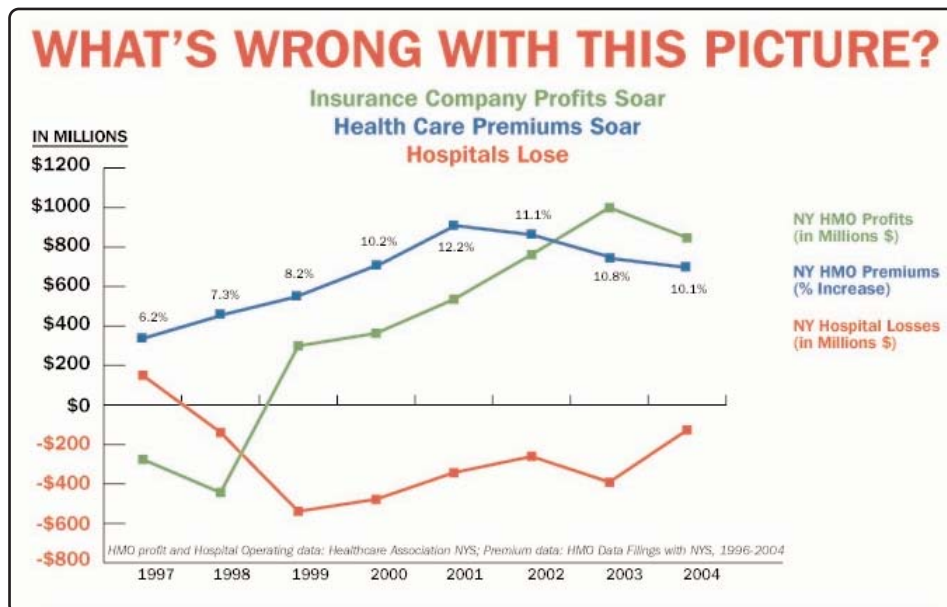
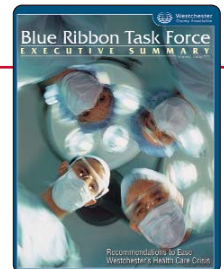
“When they finally came in, with their lawyers, all they kept saying is ‘hospitals are inefficient,’ ‘doctors don’t know what they’re doing,’ and ‘that’s why you have got these problems and that’s why the costs are going up.’”

“Then we asked them some questions,” Mr. Mooney explained. “Why are the hospitals in New York State losing money? Why are you making so much money? What’s your business philosophy? Do you reinvest back into the hospitals? Of course, they couldn’t—or maybe just wouldn’t—answer any of those questions.”

Mr. Mooney explained, “These business leaders were shocked—absolutely stunned—to find out what was *really* happening in health care from the policy level. They were amazed to learn that the common thread throughout the entire health care crisis was the HMOs. But we learned that fundamentally, while this is dramatic, it is also pretty simple stuff.”

WCA Blue Ribbon Task Force Findings:

- New York State’s reimbursement rate for hospitals is among the lowest in the nation.
- HMO reimbursement rates are 35% higher for Connecticut hospitals.
- A handful of HMOs control 70% of the insured market in New York State.
- Health insurance premiums for businesses have gone up 67% in the last three years.
- From 2001 to 2005, HMO revenues rose 19.8% and net income rose 93%. At the same time, enrollment declined 14%.
- What is wrong with this picture?



FOR MORE INFORMATION ABOUT THIS TOPIC, CONTACT

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“Low operating margins mean hospitals cannot reinvest in their plant and their economic vitality is threatened,” commented Mr. Mooney.

The next startling fact the Task Force members learned, according to Mr. Mooney, was that “The Insurance Department lost its ability to question premiums for health care insurers. Think about this. Your car insurance premiums have to go through rate approval. Casualty insurance too. However, for health care insurance, no approval is necessary. The HMOs can just raise rates. Think about that.”

WCA Blue Ribbon Task Force Accomplishments:

- The Task Force educated business and community leaders and policy makers about health care system imbalances.
- The Task Force successfully fought for a groundbreaking new law to:
 - require all commercial insurance companies to standardize their coding requirements;
 - shorten the previously lengthy period (six to nine months) for credentialing new physicians to 90 days, eliminating one of the drawbacks hospitals face in attracting new physicians; and
 - permit retroactive audits to go back two years, instead of six.

Next Steps

Mr. Mooney told the trustees there is much more to be done and that he needs them—and all HTNYS’ members—to get involved.

“There is a lot of power in collaboration,” Mr. Mooney said. “There is a lot of power in getting together and saying, you know what? We are fed up with what’s going on here. We are fed up with the ever-rising insurance rates . . . and we are fed up that the Legislature is not addressing the problems as forcefully as they should.”

Mr. Mooney then challenged the trustees. “It’s up to everybody in this room to get off their duffs and do something about it. That is a direct challenge. We need to pool our resources. The brainpower in this

room is enormous. And, if we begin to focus more on these critical policy issues, we will get things changed. If we collaborate with each other, we will get things changed.”

Among the items on Mr. Mooney’s and WCA’s agenda:

- Get more business leaders from around the state involved in fighting for health care reform and expand the collaboration between the business community and the health care community.
- Establish a Health Care Reinvestment Fund, modeled after the banking industry Community Reinvestment Act, to require health insurers to return a portion of their profits to re-balance the marketplace and support capital intensive services in hospitals related to information technology and patient care.
- Reinstate the State Insurance Department’s prior approval power over HMO premium rates.

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*~ William Mooney, Jr.
President
Westchester County Association*

“This is pretty simple stuff but we have got to do it,” Mr. Mooney said. “All we want for New York State hospitals is parity with other states.”

Mr. Mooney closed on an inspirational note: “There is no more noble thing on the face of the earth than taking care of your fellow man. And we are losing that ability because of . . . the failure to enact legislation to reform inequities, and because of the failure of the entire business community to get behind this process. I cannot think of a more important thing than to help your fellow citizens and that is what all of this is about.”

In the coming months, HTNYS will provide trustees with information about advocacy opportunities for trustees to participate in to highlight the need for the insurance industry to reinvest back into health care in their communities.