STATE OF ILLINOIS)
COUNTY OF COOK)

HEALTH CARE JUSTICE ACT
ADEQUATE HEALTH CARE TASK FORCE

IN RE THE MATTER OF:
6TH CONGRESSIONAL DISTRICT
PUBLIC HEARING

REPORT OF PROCEEDINGS taken in the above-entitled cause before Joan M. Burke, a Certified Shorthand Reporter in the State of Illinois, on the 11th day of January, 2006, at 777 Elk Grove Blvd., Elk Grove Village, Illinois at 4:30 p.m.

TASK FORCE MEMBERS PRESENT:
DR. JOSEPH ORTHOEFER, Chairman
MS. TRACEY PRINTEN, Member.

CHAIRMAN ORTHOEFER: If you'll have a seat, I think we'll just start. We're waiting for some other board members, but they may come strolling in. I want to welcome you to this meeting in the Sixth Congressional District, U.S. Congressional District. This is the Adequate Healthcare Task Force as appointed by the Governor, both the House and Senate's majority leaders and minority leaders. There's 29 members on the Task Force. They're charged with coming up with some kind of a plan so that everyone in Illinois has access to affordable healthcare. And we're having hearings in each of the Congressional districts so people have some input into it. There's also been a number of training programs people have been through and then also there will be a consultant that will come in and put a lot of this together and make some recommendations to the state legislature.

And the importance, what this came out of, some of you may be familiar, there was a bill introduced six, seven years ago called the Bernadine Amendment. Well, the

Bernadine Amendment never got -- actually would have been an amendment to the state Constitution, but it never made it through the legislature. Well, it was reintroduced as an Act and it was passed about two years ago, I believe. Don't hold me to that when it was passed exactly. But any way, it wasn't funded to begin with -- as you know, the State's had some and still has some tremendous financial difficulty. And it's going to be a challenge no matter what comes up with -- what we come up with, how it's going to be financed.

Some of you probably know, the U.S. spends about double what any other nation in the world spends for healthcare. Look at our outcome, we range according to U.N. studies, W.H.O., we're 37th in the world. We're paying a lot of money, but our outcome -- and of course my background is public health. They always will tell us, well, what's your outcome going to be before you make this expenditure, is the cost benefit worth it. Other countries have found ways to do it. So they actually have lots better outcomes than

what the United States is and spending half of what we spend for it -- for healthcare.

And I just saw the figures in 2004 which was the last year figures are available. The increase in healthcare went up 7.9 percent. Some of your -- I doubt if there is anybody my age around, but just to give you some ideas, back when they were trying to pass the national health plan, single payer thing, they were mandating these H.M.O.'s and some of that stuff and the hospitals said well it won't hold costs, well they did hold them for a year or so but now it's up to about 18 -- it went up after they killed any healthcare legislation it went up about 20 percent for the next couple of years. The increase in costs. So I think most people given that up.

So that's what we're faced with. You know. We've got a national budget that's out of whack. And we've got a state budget that's out of whack and we're supposed to come up with some kind of a plan to provide healthcare for everyone. Unless you're able to come up with some more money some ways, I don't

see where that's going to come from, so it really is going to mean some kind of adjustment to the system. And like I say, we're already spending about 16 or 17 percent of the national H and P for healthcare which is about double what other people are spending.

Well, I want to thank everyone for coming out tonight, and like I said, we're having these hearings in all the districts. I'm really anxious to hear what you have to say, but before we get started, Danielle has given me a listing of some things we have to take care of just housekeeping items.

First, if you haven't signed in, there's a table just outside the door. If you'll sign in there. There's two handouts. I hope everyone picked them up. One is the information about the Healthcare Justice Act, the Adequate Healthcare Task Force which we represent.

Second, if you wish to testify, please sign up at the table near the entrance to the room and you'll be called on in order to testify in the order that you signed up. If

you have brought written testimony, please give it to Danielle, the lady over in the corner there.

We'll begin hearing -- Danielle? Do you want to line up the speakers or have the speakers -- there's so few here maybe we can just call them.

MS. POWERS: Exactly. You know, as he calls your name on the list, go up and say your --

CHAIRMAN ORTHOEFER: Okay. Before you testify, please be sure to say and spell your name. We have a court reporter here and it would help her out a lot to keep things straight.

It says here -- I'm not good at this. It says oral testimony will be limited to three minutes. Unless you really are terribly long winded, I'm not going to shut anybody off because we don't have that many people here and we're going to be here until six and I'd like to hear what you have to say.

MS. POWERS: 6:30.

CHAIRMAN ORTHOEFER: 6:30. Okay.

Even longer, so. Okay. It's Danielle --

MS. POWERS: Go ahead. Who is the first on the list?

CHAIRMAN ORTHOEFER: Okay. Here is the list. I didn't see it. Elizabeth Lively.

MS. LIVELY: Good afternoon. My name is Elizabeth Lively. That's L-i-v-e-l-y. I am here on behalf of Brinsley Lewis who is the Chief Executive Officer of Adventist GlenOaks Hospital which is located in Glendale Heights, Illinois in DuPage County. The hospital just recently celebrated its 25th anniversary.

The hospital is the only Medicaid disproportionate share hospital in DuPage County. The hospital commends the Task Force for taking a systematic, thoughtful look at the issue of the uninsured. We believe that the Task Force should focus on two critical points, the immediate problem of the uninsured in the Illinois and the underlying national social problem of the uninsured.

As a part of their mission to serve their communities, hospitals really are the safety net for the uninsured population but

should not be expected to take on the entire responsibility for solving the problem of the uninsured. Society must become involved as a partner in the role of providing healthcare coverage for all.

As a faith-based not-for-profit hospital, Adventist GlenOaks Hospital is committed to serving the healthcare needs of people in our communities regardless of their ability to pay, insurance, or citizenship status. We treat patients from every segment of society 24 hours a day, seven days a week, 365 days a year. Our patients and our community depend on this. They turn to us in times of crisis. They want and need us to be there for them and we are.

In 2004, Adventist GlenOaks Hospital provided $7.8 million of uncompensated care. These dollars represent charity care and bad debt write-offs. 10 percent of patients receiving services at the hospital have no insurance. Combining the volume of uninsured with a 35 percent Medicaid volume, it is clear that Adventist GlenOaks Hospital is vital to

the healthcare needs of DuPage County residents.

The hospital has a longstanding charity care policy in place which is communicated to patients in several ways. There's signage at locations within the hospital and the message is included on all hospital bills. The application is also available in Spanish. Both the charity care policy and the application are located on the hospital's website at www.keepmewell.com.

Registrars and financial counselors are trained to identify and assist patients who may qualify for either Medicaid or charity. The staff is in place to assist with the application process and to help patients in qualifying. At any point in the collection cycle a patient may apply for charity. All of our outside vendors who assist us with collections are trained regarding our charity policy and are ready to identify patients who may qualify. This policy states the patients who's annual household income is at or below 200 percent of the federal poverty level

qualify for full charity. Partial charity is also available on a sliding scale to patients whose annual income is between 200 to 400 percent of the federal poverty level.

Adventist GlenOaks Hospital is doing extraordinary work in our communities every day, but our ability to perform this vital role is being threatened because of financial pressures. Being pressured between the soaring costs, many which are outside our control, and declining revenues. The hospital must operate between the conflicting principals of cost effectiveness, and always offering the highest quality services and the best technology available.

For example, the vast majority of patients at the hospital are covered by the shared state and federal Medicaid program. On average, Medicaid does not come close to covering the cost of providing that care. This means that these noncovered costs are shifted to other sources of revenue such as managed care and commercial insurance carriers. The same scenario rings through for the hospital's

Medicare patients.

Hospitals including Adventist GlenOaks Hospital have eliminated as much expense as possible from their budget. Certain expenses such as the cost of drugs, medical devices and other technology, medical liability insurance premiums, wages for certain work force shortage jobs are difficult if not impossible to control. Medicare, Medicaid and private insurance companies are steadily reducing what they pay for the cost of care. Hospitals need help in providing care to the uninsured population.

In spite of these challenges, Adventist GlenOaks Hospital continues to provide quality life-saving care to our patients and meet the needs of our communities each and every day. That is our mission.

In conclusion, we recognize that Illinois and the nation faces a daunting problem that cannot be solved quickly or easily. We urge the Task Force to carefully and thoughtfully consider and review the many proposals you will be presented with over the

coming months. Some of them could have unintended consequences that will worsen the problem. Please keep in mind that placing a greater burden on hospitals will not solve the uninsured crisis and could damage the healthcare system that our patients and communities are have come to depend upon. Hospitals alone cannot solve the crisis of the growing uninsured and underinsured population. All of us, hospitals, healthcare workers, businesses and government, need to work together to find workable solutions. Thank you.

CHAIRMAN ORTHOEFER: Well, thank you. Next is Laura Kratz.

MS. KRATZ: I'm Laura Kratz, K-r-a-t-z. I'm from Elmhurst, Illinois, and I'm representing the League of Women Voters.

The League of Women Voters believes that a basic level of quality healthcare at an affordable cost --

(Interruption.)

The League of Women Voters believes that a basic level of quality

healthcare at an affordable cost should be available to all U.S. residents. For this reason, the League supports the work of the Healthcare Justice Task Force in drawing up a plan to bring affordable healthcare to all Illinois residents. As the Task Force considers various approaches to providing affordable healthcare, we urge the members to judge them in light of the following criteria:

First, sharing of risk. Does the approach increase the sharing of risk among young and old, healthy and sick individuals? Does it move toward a larger risk pool of individuals?

Two: Fairness to all income levels. Does the approach increase the sharing of cost among individuals of different incomes? Does the approach ensure that out-of-pocket costs are reasonable for lower income individuals?

Three: Purchasing power. Does the approach increase the ability to leverage group purchasing power of healthcare services?

Four: Comprehensiveness. Does

the approach ensure that all covered individuals have access to quality coverage and to the same comprehensive package of healthcare services including prescription drug and mental health coverage?

Five: Inclusiveness. How well does the plan expand coverage for significant numbers of people. Does it ensure that the plan does not arbitrarily exclude certain groups such as immigrants or noncustodial adults?

Six: Cost containment. Does the approach contain healthcare costs?

Seven: Continuity and affordability of care. Does the approach assure continuity of care is coverage affordable? Does the plan allow for the enrollees to chose their providers?

The members of the League of Women Voters thank the Task Force for their work in planning for better healthcare in our states. We hope that you will use these criteria in considering what plan to present to the state legislature. Thank you.

CHAIRMAN ORTHOEFER: Thank you, Laura. I'm a male member of the League of Women Voters.

Next, Carolyn Lan -- I'm sorry?

MS. LANDWEHR: Landwehr.

CHAIRMAN ORTHOEFER: Landwehr. Do you want to spell that for the court reporter?

MS. LANDWEHR: I'm Carolyn Landwehr, L-a-n-d-w-e-h-r, from -- also from the League of Women Voters and also from Elmhurst.

As Laura said, the League of Women Voters believes that a basic level of quality healthcare at an affordable cost should be available to all U.S. residents. We hope that the Task Force will consider the criteria which Laura and others have presented at several of these hearings in judging possible plans.

The rising cost of providing health care insurance for employees is adversely affecting many businesses in Illinois. Illinois health insurance premium costs are rising three times faster than wages. According to a study by Families U.S.A., health

insurance premiums in Illinois for a family with employer-sponsored coverage were over a thousand dollars higher in 2005 due to the unpaid costs of healthcare for the uninsured. In Illinois, the total cost of healthcare for the uninsured not paid out of pocket by the uninsured was more than 1.8 billion in 2005, and if no changes are made, we'll be 2.6 billion in 2010.

One suggestion that I have for the Task Force to consider in drawing up a plan for Illinois is to use an expansion of Medicaid as one component. About 70 percent of the uninsured are working, but earning under 20 -- 200 percent of the poverty level. It's a real challenge for them to pay living expenses. Even a small health insurance premium would be difficult. If we expand Medicaid coverage, the federal government must match every state dollar and thus the cost to the state is cut in half. We thank you for your work in planning for better healthcare in our state.

CHAIRMAN ORTHOEFER: Well, thank you very much, Carolyn.

Next is Laura Bault, B-a-u-l-t, I think it is.

MS. BAULT: Yes. It's Laurel, L-a-u-r-e-l, and the last name is Bault, B-a-u-l-t.

Good afternoon. Jim Wallace in his book "God's Politics" has said our society has forgotten something very important, something that must be recovered. It is the dignity all people deserve and no one must be denied. There is no dignity in our present healthcare system for millions of Americans. You all know the specifics.

As a Christian and an advocate, I have learned that when we can relate to people in pain and suffering, when we can imagine ourselves in the same situation, our hearts are more able to open to providing for the changes necessary to provide that dignity.

Recently I had a friend call to tell me she felt compelled for days to call me because her new neighbor had a problem. Christi and her family had just moved to Illinois from Missouri. Darren's job had

brought the family here and then quickly -- and they quickly found that the cost of living was a challenge. They bought a modest home for the -- for their family of four and settled in. Darren's job does not provide health insurance and the Medicaid cut-off in Illinois was different enough for the family not to qualify. A common accident and a broken arm of their oldest son has his family in debt to the tune of $10,000. Darren is a pastor of a small but very active church in the area.

I met Janet through my job as family resource coordinator at a local elementary school. A local author, Janet has 100 published children's books to her credit. To share her love for dinosaurs and reading, Janet does school assemblies. At the end of the day when helping to load her car we struck up a conversation. As anyone that knows me will confirm, I generally converse about either of two social justice issues, healthcare or public school funding. Janet told me that her husband was laid off of work and that they could not afford the COBRA rates. They were

uninsured and she prays daily that her family stays healthy and safe.

In the big scheme of things, these two stories are no big deal, right? But Darren, Christi, and Janet look and normally live differently in this country and then most of us in this room due to the fact that they look like all of us then do our brothers and sisters of color, those that speak another language and whose pocketbook is thin and empty. Can we open our hearts and minds to seeing that people more like ourselves are uninsured so we can finally move to accepting our morale imperative to give dignity to all.

I'm a United Methodist. The United Methodist Church believes that all people should have access to dignified healthcare services, but I sit in church on Sunday next to many people that just don't get it. It has really only been in the last few years that I've finally grown up and I think it's safe to say that I really do finally get it. Religious institutions across this country do not walk the talk. But those of us that can

must. We must use our voices collectively to follow the examples of those we follow, whether that be Jesus Christ or another example of one who gets it and advocate for universal healthcare coverage for all of our brothers and sisters.

You, as a member of the Healthcare Justice Act Task Force, have a unique opportunity to be not afraid, to do -- to use your voices to submit a plan to the General Assembly that not only advocates dignity for all, but a plan that is well crafted enough to ensure passage.

We will celebrate his birthday Sunday, but 38 years after Martin Luther King give his life for the fight our healthcare system is still wrought with inequality and injustice. It is still shockingly inhumane. Let's honor him by listening to what he had to said. Illinois has a unique opportunity to be the leader in healthcare for all so let's just do it. Thanks.

CHAIRMAN ORTHOEFER: Thank you very much, Laurel. That's interesting. It's over

43 million people in the U.S. are now uninsured at one part sometime during the year. Illinois's almost 2 million people in the same situation. 230,000 of them are kids.

I see the Governor's put a new initiative in. This is something I just picked up, and any way trying to get children at least enrolled I think it's in the low cost program of some type. I don't have all the details, but any way, kind of a side line on it. Christine --

MS. CEGELIS: My name is Christine Cegelis. Last name is C-e-g-e-l-i-s. And I am the Democratic candidate for the Illinois Sixth District.

Our country's facing a healthcare crisis. As you noted, more than 43 million people don't have healthcare throughout the country. And at a given time, many people in Illinois are without health insurance. I believe in the Bernadine amendment. I believe that healthcare is a human right. And of course as a member of Congress, I will fight for that.

But in the meantime, I applaud the work that you are doing because this is probably going to be the first step to do it on the state level. One of the things that I would ask you to consider as you put this together is how can we uncouple healthcare with employment. How can we help small businesses. This is causing -- as I go around the district, and I talk to the small businessmen in my area, they tell me that it is healthcare costs that are crippling them the most. And I would hope that somehow or other that we could bring together by a share of risk, by putting a pool together, an affordable healthcare so that people can buy into it whether they buy into it through their small businesses or they're able to buy into it through individually if they work for a small business. We have -- I think this is hindering our economic growth in Illinois and I would appreciate if you take that into consideration.

It is a problem as well with the new Medicare system, Medicare system with pharmaceuticals. I am being told by my

constituents that if they purchase drugs from Canada or other countries they are now being confiscated by the F.D.A., but at the same time, they find the new Medicare bill to be extremely confusing and they don't know which one to apply for and in many cases the drugs will become more expensive for them than if they were able to import. If there is any way to keep, especially for our senior citizens, affordable pharmaceutical prices, please consider that.

Those are issues that hit the bread and butter of people every day. We need to have affordable healthcare for our children, but we also need to have affordable healthcare for our seniors. And we also, again, for economic growth, we need to be able to help those people who are working for themselves or working in small businesses.

Again, I thank you for your interest in this subject and your work towards that. Thank you.

CHAIRMAN ORTHOEFER: Well, thank you very much. Something just for your

information, maybe others in the audience, we have what they call a Health Council in Winnebago County and the hospitals all belong to it, many of the social services and we had a $500,000 grant in order to help low income people with health insurance. The employer had to pay a third, the employee paid a third and the grant paid a third. We couldn't get -- you couldn't get the employers to enroll in it. That was a real low cost health insurance, something that none of us would be satisfied -- satisfied with, but nevertheless, employers just would not -- small business would not enroll in it.

MS. CEGELIS: I find that -- I work for a small business, they have less than 12 people and I've been told that our healthcare costs are $11,000 a month. I'm very grateful that I work for an employer who does that, but it is very few small businesses that can do it.

CHAIRMAN ORTHOEFER: Yes, if you're interested in that information, I'll try to get it to you. Give me an address.

MS. CEGELIS: Sure.

CHAIRMAN ORTHOEFER: Well, thank you very much. I was just going to say kind of a side light. I heard the same thing yesterday. I'm on the advisory council for the Area Council on Aging and they now have stopped the importation of drugs from Canada and the interesting part of about that is you know I haven't heard very many Canadians dying because of their poisoned drugs or bad drugs. Talk about competition.

Jackie Balis? She must have stepped out.

Gary Kloppe, K-l-o-p-p-e.

MR. KLEPPE: Kleppe. Hello. My name is Gary Kleppe, K-l-e-p-p-e, and I haven't prepared any written testimony so I'm just going to wing it.

Well, first a little bit about me. Well, I belong to an organization called Progressive Democrats of Illinois, but in my non-spare time I program computers. That's still a pretty good job these days even after a lot of outsourcing. We make a good living. Okay. And my company is pretty conscientious

about taking care of its employees. We have a very -- what is, you know, as health plans go, a very good health plan.

So I'm probably the person the system ought to be working for, but it isn't. I've had a lot of problems with current system, like I've had you know, -- we have -- we have to pay 10 percent of medical costs which is still, I mean, fairly large. I've had to deal with a plan administrator that basically sits on claims, you know, and doesn't pay for months and months, just for no particular reason. And you know, at which point the hospital and anesthesiologists and doctor will get after me, you know, asking why this claim hasn't been paid.

And of course for the company you would like to hire more people, I mean we need more people doing the job that I'm doing in the company, but the company doesn't hire more people and one reason of course is because of the high cost of healthcare which means a lot of extra work for the people who are doing the job I'm doing. So I mean my point is not

to say how terrible it is for me because I still consider myself very fortunate. The point is that the system really doesn't work for anybody, you know, maybe other than people who own stock in the insurance industry or pharmaceutical companies.

So -- and to lead into this, I think they the obvious solution, you know, to this, we need single payer in Illinois. Okay. Because piecemeal reform is not going to do it. I mean if you, you know, the system doesn't work for anybody, then the system needs to be scrapped. Okay. It's like a cancer. Okay. You can't say that okay, I'm -- I'll keep -- I'll cure the cancer in the left half of my body, that's good enough. No, that is not good enough. Okay. If you have a cancer in the system you need to cut it out.

So there is a bill H.R. 676 which you may be familiar with, that is the national single payer plan proposed by the Congressional Progressive Caucus. Okay. And I would urge you to look at that as a model for a plan for Illinois. So this problem may be real

easy to solve. You can take that bill, cross out United States and write in Illinois and there you go.

And if you go down the list of our friends from League of Women Voters have told us what a plan should be, you go down the list, a single payer plan satisfies all those criteria. And you had talked about the problem with financing. Well, single payer is easy to finance. I mean you just pass, you know, a single taxation to pay for the whole thing and people are going to balk at the idea of paying a new tax until you find out that this tax is going to mean you don't have to pay medical costs any more, you know, and your employer doesn't have to pay for your medical insurance. Okay. So please consider passing a single payer in Illinois. Thank you.

CHAIRMAN ORTHOEFER: Thank you, Gary. Next is David McCurdy.

MR. McCURDY: McCurdy. My name is David McCurdy, M-c-C-u-r-d-y. I happen to be a member of the State Board of Health and I've worked in healthcare for over 25 years. But

today I'm offering testimony in neither of these capacities. I'm really speaking as an individual citizen.

I owe you all on the Task Force an apology right off. The work of your Task Force I know is aimed at creating a workable plan that will enhance access, quality and affordability in healthcare. What I have to say I'm afraid will contribute little or nothing to the development of your plan.

Even so I feel compelled to comment on an aspect of the context in which the task force must develop its recommendations. Specifically, I want to talk about the question of what an access -- of who the access plan is for.

In one of the earlier public hearing I heard a legislator comment that legislative deliberations about healthcare access will be conducted by quote people like us who have health insurance. That in a nutshell captures the question of who has the access problem.

The access problem is not

viewed as the actual problem of those who must make the policy decisions. They may view it as their burden, but that's another matter. But typically, we imagine that people who already have adequate access to healthcare through their insurance will be making decisions about how to assure or increase access for others whose access is tenuous because they don't have insurance. In other words, we are making decisions that will affect them. And here the we I have in mind includes not only the legislators who of course directly make the decisions, but the other we that I'm thinking about is really us, most of the voters, and I have insurance, too, who are likely to weigh in with their legislators about this issue. And I believe that this we-they way of thinking is one thing that complicates the problem enormously. Because it imagines that we and they are not in the same boat.

Now, from one perspective I mean we all know this can be very true. At this moment, many of us are in good shape insurance wise and we can get all the

healthcare we need without fear of financial ruin. And it's quite likely that every policy maker has excellent insurance coverage although there may be some surprises even among legislators, I suspect. But the time will come for no small number of us in this room when for one reason other another we will no longer be covered so generously or even at all.

And you probably heard them, I've heard such stories at earlier public hearings, and I know people and I'm sure most of us do, who have suffered such a fate when they lost a job, developed a chronic condition, or found the rise in premiums simply outpaced their ability to afford insurance any more. And we've all read or heard such stories, often heart wrenching in the media and perhaps many of us in this room have at one time or another been in this category of those who didn't have insurance even if we have it now.

Those who lack insurance, as we know, hesitate to seek care, they face bankruptcy, they become statistics in the tally of healthcare disparities and/or not least they

live with daily anxiety and maybe anxiety for others besides themselves that they feel responsible for. The point is they who lack insurance could at any moment with the right or wrong twist of fate be us.

The author Larry Churchill has it right, I believe, when he says national purpose of a healthcare delivery system is security. Security, and by that he means freedom to live without fear that our basic health concerns will go unattended as well as freedom from impoverishment when we do seek the care we need. If we recognize that we all share healthcare insecurity at this very moment, unless perhaps we're covered by Medicare, that might -- make a difference.

Under the current delivery system that is we all share health care insecurity maybe it will help us to just keep aware of that. Maybe all of us legislators, voters, currently insured as well as uninsured will realize that we share a common predicament whether it is actual or at this moment only potential. I would suggest maybe some

articulation of this reality in the Task Force's recommendations could help create a framework in which we, and here I mean both the public at large and our legislators, are more readily persuaded to both the wisdom and the necessity of a system that truly covers us all. We are in the same boat and it's taking on water even as we meet here today. Thank you.

CHAIRMAN ORTHOEFER: Well, thank you. Just -- maybe I shouldn't make a comment on that, but healthcare is the leading cause of bankruptcy in the country today. So everyone really is at risk. Unless you -- unless you have a really good insurance policy and even those are in danger of being dropped as you know.

Cathy Duoba?

MS. DUOBA: Good afternoon. My name is Cathy Duoba, and I've given you copies of my testimony but --

CHAIRMAN ORTHOEFER: Duoba.

MS. DUOBA: D like David, u-o-, B like Bob, a. And Cathy is with a "C, " but I'm not picky. About the Cathy I mean.

With all due deference to my fellow Leaguers in Elmhurst, I am here representing the League of Women Voters of the Arlington Heights, Mount Prospect, Buffalo Grove area covering also Wheeling, Prospect Heights and Elk Grove Village. I wish to thank the Healthcare Justice Task Force for the opportunity to speak this afternoon on the need for reform of our health care system and issues involved if that reform.

As you know, the League of Women voters is a grass roots organization that reaches its position through consensus of the membership at the grass roots level. The official position of the League of Women Voters has been given in testimony at previous hearings and again at this hearing so I'm going to skip that part of my testimony. Further information regarding these criteria can be found in the copy of the full testimony which is included in Appendix A of our local League's testimony today.

On October 20th, 2005, the League of Women Voters of the Arlington Heights

Mount Prospect, Buffalo Grove area held quote "A Community Conversation on Healthcare: Can the System Be Improved." This public forum was held under a grant from By The People, a project of McNeal Lehr Productions and League of Women Voters of the United States Education fund. State Representative Carolyn Krause appeared on our introductory panel and also helped us attract other panel members.

Our main purpose in coming today was to share with you some views that members of our local community expressed at this community forum. Since guest participants at this forum outnumbered League member participants more than two to one, these views must be differentiated from the official League position. However, we believe these views are valid expressions of concerned, informed members of the local community or would not be offering them today for your consideration.

As an aside, they had to be concerned members because we held it the day after the White Sox won the World Series and thank God not on a Wednesday, it was a Thursday

after, and most people had been up for two nights watching the 15 inning game and then, you know, celebrating. Turn out was not as great as we had anticipated, but it was -- it was one of our largest meetings ever.

The following points generated the most interest and/or discussion. The United States is the only industrialized nation that still treats healthcare as a commodity. As a result of that, hundreds have relied on employment linked healthcare coverage ever scenes these plans were introduced during World War II's pay freezes. Presently we learned 80 percent of the uninsured are from working families. We can no longer rely on employers automatically providing healthcare insurance plans. Over 60 percent of the uninsured nationwide are full year full time workers. Even those employers with healthcare plans are asking for increasingly higher employee contributions to that fund.

There was virtually no support among the participants to legislate employer mandates. In this time of global

competitiveness when even the non-ailing I.B.M. has dropped pension coverage it makes no sense to espouse employer mandates as an approach to employer healthcare coverage.

American companies with healthcare costs cannot be expected to compete with companies from other industrialized nations whose countries have national healthcare plans. Global competitiveness was a concern to the participants.

There was also little support to mandate that every American be required to obtain health insurance. Possibly with tax incentives because of enforcement issues. As an aside how many drivers do not carry car insurance which is mandated? Participants also cited that individual mandates would only exacerbate the present problems caused by the wide variety of individual healthcare plans.

This brings us to the cost of administration in healthcare coverage. Everyone is aware of how fast healthcare costs have risen and how far they outstrip inflation. Of the various grants and tables hung as

posters at our forum, the one generating the most interest was provided by Physicians For a National Healthcare plan which showed the growth of Registered Nurses, 1970 to 2002, to be under 100 percent, while the growth -- the number of healthcare administers grew 2,500 percent in the same time period. This graph is included as Appendix B.

This is a reflection of the problems caused by the wide variety of healthcare plans, each with their own deductibles, covered and non covered expenses, and other individual requirements, procedures and labeling. Participants felt this miraz (ph) has become truly unworkable an too costly. It's not really the fault of the administrators, you know you have to hire more when you have a hundred different plans. Or a thousand.

Since the costs of a huge government bureaucracy, and that's in quotes, was one of the main arguments against healthcare reform proposals 15 years ago, participants showed interest in the costs of

administration by various bureaucracies, both governmental and private. Participants seemed surprised to learn that it appears that the percentage cost of administration for Medicare is four percent, while the cost of administration for non profit plans are between 15 and 20 percent, and for profit plans costs are up to 30 percent.

Reforms in the Veterans Administration healthcare system are reported to have resulted in higher quality with low administration percentage costs. It seemed clear that from the view of cost containment, eliminate the burgeoning variety of healthcare plans will go a long way towards making healthcare less costly both in the area of plan providers, healthcare providers, and healthcare consumers.

And as an aside, in Mr. McCurdy's we-they, we are paying that extra 15 to 20 percent administration costs versus what it costs to administer Medicare. That's all of us who are insured. So it is not a we-they. It's a we-we.

Another care area of cost containment of which participants seemed very upset is a question of purchasing power as it relates to the latest federal healthcare reform legislation, the federal Medicare prescription drug program. The C.F.O. -- from the C.F.O.s of national companies to the local housewives join PTA Market Day cooperatives, everyone is aware of the principal of group discounts for products and services. The idea that healthcare reform legislation should not just ignore group discount possibilities, but expressly forbid it, was strongly denounced by participants, some of whom pointedly question the motives of supporters of this legislation.

Another area of deep concern to participants was the link between healthcare costs and bankruptcy. In 2004 in our state of Illinois there were 70,777 personal bankruptcies. Of this total, more than half or 40,168 were medical bankruptcies. These facts alone are cause for alarm. When coupled with the new Federal legislation restricting bankruptcy, the situation becomes very perilous

for many of our fellow citizens. These citizens are not deadbeats. Their plight is a result of fateful illnesses and the lack of healthcare reform. Participants wanted some provision made for those whose finances have been ravaged as surely as their bodies have.

Finally, while participants would welcome true reform at any level of government, based on the half a loaf principal, most participants seemed to support some form of single payer plan at the national level as the ultimate goal because this approach would be most likely to achieve administrative cost containment and immediate savings of 15 to 20 percent, would be most likely to be inclusive and comprehensive, and would produce the greatest sharing of risk.

Conclusions of the participants were necessarily general in nature since no specific proposals were up for debate. However, the League of Women Voters at the Arlington Heights, Mount Prospect, Buffalo Grove area is grateful for this opportunity to share the general thoughts and concerns of the

participants in our first community conversation on healthcare and we hope they will be -- and we hope they will be useful to you in your endeavors defers. We thank you for your endeavors.

And one last thing. As a Roman Catholic, I had to pull this out of my fact thing. This is a quote from Cardinal Joseph Bernadine, the Chicago Archdioceses of the Roman Catholic Church and we share -- he shared the concerns of United Methodist church also. His quote is: "Healthcare is an essential safeguard of human life and dignity and there is an obligation for society to ensure that every person be able to realize this right." And now I really thank you.

CHAIRMAN ORTHOEFER: Yes. Thank you very much. The next one John Ajen? A-j-e --

MR. OLSEN: Olsen.

CHAIRMAN ORTHOEFER: Maybe it's Olsen. I'm sorry.

MR. OLSEN: Well, my name is John Olsen, O-l-s-e-n. And first I want to say I don't have health insurance at this point in

time, but I did have a heart attack and quadruple bypass surgery in 2003 and it was kind of a problem because I didn't have health insurance.

But that's not why I'm here. I'm here to deliver a cautionary message. This is a letter actually that was written on behalf of my folks via myself. It's dated August 15, 2005 and it's to Jackie Garner who is the Region Five Administrator of Health and Human Services which would be Midwest.

Dear Miss Garner, I am writing on behalf of John Olson, the son and caretaker until her recent death for Constance Pick and her husband Joseph Pick. Mr. Olson has gone to considerable lengths to communicate with officials at C.M.S. and the Office of Inspector General of the Department of Health and Human Services concerning his legitimate concerns that both Mr. and Mrs. Pick were denied procedural protections guaranteed to them as Medicare Advantage enrollees.

Mr. Olson both orally and in writing has raised with C.M.S. and the

Department of Health and Human Services, among other things, that Mr. and Mrs. Pick were not given the right to appeal expedited or otherwise denials of services by their H.M.O. and provider on more than one occasion.

Although your office responded to Mr. Olson's concerns by letter and by E-Mail, these responses consistently misidentified both the factual circumstances surrounding Mr. Olson's complaints and misstates the relevant legal standards that govern these issues. I have reviewed Mr. Olson's documentation relating to the Pick's claim and service denials. I am also familiar with the relevant federal regulations and the guidelines set forth in the Medicare managed care manual. Based on my review and conversations with Mr. Olson, I am convinced that the Center for Medicare and Medicaid Services has failed to act in the face of clear evidence that the H.M.O. and provider violated the Medicare Act and its implementing regulations.

Because Mr. Olson has

previously provided you with many if not all of the specific details which provide the basis for this conclusion, I will simply list the following instances which concern me the most. And then there's some examples.

Now here's the scary part. And this is all true. And I can back it up. Finally, separate and apart from the merits of Mr. Olson's complaints about how the Pick's rights under the Medicare program were violated, according to the Office of Homeland security, your office believes that Mr. Olsen's communications with you on these matters constitute a form of harassment. While obviously Mr. Olsen has been unusually persistent and tireless in his efforts to obtain a satisfactory response about the Pick's problems with the H.M.O, and the Center for Medicare and Medicaid Services I find it at the very least deeply troubling that your office would interprets his efforts to aggressively advocate for his parents rights under the Medicare program as harassment. Therefore I would request that you explain your basis for

your assertion that Mr. Olsen has engaged in any harassing conduct vis-a-vis C.M.S. or the Department of Health and Human Services.

This letter did not get a response. And the bottom line here is is that even if people have health insurance, it's a moot point if the safeguards that have been established to protect the enrollees are not enforced. Thank you.

CHAIRMAN ORTHOEFER: Thank you very much, John.

Jackie Balis?

MS. BALIS: Good evening. Who should I give my written testimony to? Okay. Thanks.

My name is Jackie Balis and I'm the Director of Communications and Government Relations for Advocate Good Samaritan Hospital. Advocate is a fully -- the largest fully integrated healthcare system in Illinois and tonight I am honored to testify on behalf of the hospital that I work for, Advocate Good Samaritan, which are part of the Advocate System and proudly serve the people of the Illinois Sixth Congressional District.

I commend the members of the advocate healthcare tas -- or the Adequate Healthcare Task Force for hosting this hearing to listen to our views on the critical issue of how we provide access to quality healthcare for all Illinoisans.

Advocate Good Samaritan Hospital in partnership with its corporate parent has long been concerned about the crisis of the uninsured and underinsured. We support efforts to find reasonable and workable solutions to the uninsured crisis.

Advocate is a not-for-profit faith-based provider whose mission is to serve the health needs of individuals, families and communities. Advocate Good Samaritan Hospital like other Advocate hospitals throughout Chicagoland is committed to serving the health needs of people in our communities regardless of their ability to pay.

We proudly offer one of the most compassionate charity care programs in the nation. We offer discounts to patients with incomes up to 400 percent of the federal

poverty level. We actively outreach to our patients so we know that the charity care program is available. For those in need of financial counseling, we help them through the application process. Uninsured patients are contacted numerous times by mail and phone with offers of assistance. Multi lingual signage informing the community about the availability of financial assistance is posted at each patient access point. Additionally, as part of our charity care application process we work with patients to determine whether or not they're eligible for Medicaid or Kid Care to provide ongoing healthcare coverage.

But the benefits that Advocate Good Samaritan Hospital provides to our communities go well beyond charity care or helping patients obtain financial assistance. As required by the Illinois Community Benefit Act, Advocate filed its first community benefit report at the end of June. We provided as a system over $240 million in community benefit programs and services in 2004. For example, Good Samaritan runs one of the busiest trauma

centers in Illinois. In 2005, we treated more than 14 -- 1,450 trauma patients in our Level I trauma center. Operating a Level I trauma center is extremely expensive and many of these costs are unreimbursed.

Additionally, Advocate Good Samaritan Hospital provides free public health educational programming and training to an average of more than 1,000 community members per month through free support groups, health classes, and screenings.

The Advocate Health Care System is fortunate that through its rigorous financial management we do have a limited positive operating margin. Those who work in the hospital community have a saying: No margin, no mission. And I can testify that I hear that about three or four times a week in our hospital. At Advocate the dollars that our margin provides are all reinvested in the organization. We are able to acquire the newest medical technologies and update our aging physical plants to meet the community's needs. And perhaps most importantly, these

dollars allow us to keep the doors open and invest in our three advocate hospitals in the city of Chicago which taken together post operating losses of nearly $2.5 million each month.

At Advocate we believe everyone living in America deserves to have access to affordable healthcare coverage. We recognize that Illinois and the nation face a daunting problem that can't be solved quickly or easily and again I can testify that we -- we grieve and struggle with this issue every day.

Certainly the All Kids program recently proposed by Governor Blagojevich is a large step in the right direction. All Kids once implemented has a potential to make a significant difference in lives of many Illinois children. Nevertheless, even with All Kids program, Illinois will still have hundreds of thousands of uninsured residents.

Thus we urge the Task Force to carefully and thoughtfully consider the many proposals that will be presented with you in the coming months. Some of them could have

unintended consequences that will worsen the problem.

For example, some of those who have testified before this Task Force have indicated support for the Healthy Illinois Plan currently under consideration by the Illinois Senate as S.B.11. The Healthy Illinois Plan if implemented would subsidize one group's health insurance premiums while taxing another's. While some may gain access to affordable health insurance as a result, many others could lose benefits all together. This is of significant concern to us and is why we encourage a full and open discussion of all potential solutions to the uninsured crisis.

Whatever solutions the Task Force considers, we respectfully ask that the Task Force members to recognize that placing a greater burden on hospitals will not solve the uninsured crisis and will only damage perhaps irreparably the healthcare system that our patients and communities have come to depend on. Hospitals alone cannot solve this crisis. The partnership and commitment of everyone is

necessary to find workable solutions. Those of us at advocate Good Samaritan Hospital along with the rest of the Advocate system stand ready to assist the Task Force in meeting this challenge. Thank you.

CHAIRMAN ORTHOEFER: Thank you, Jackie. Gary -- no. Okay. You have to help me with that. Donald -- I really have no room to say anything about names because I have a difficult name as well.

MR. DIONESOTES: I am Donald Dionesotes, spelled D-i-o-n-e-s-o-t-e-s. Bensenville, Illinois.

I hadn't planned on speaking tonight until I got here. It took about two minutes to decide to speak. And I want to ask a rhetorical question for the record. Where is the rest of the panel? It's so important that we have come out to this meeting and we see two. Thank you for coming. Where are the rest? Where are the rest?

Maybe that gives you an idea of how important some people think this is. I think it's very important. I think it's

unconscionable that the wealthiest country in the world can't take care of their people medically.

As a matter of fact, I had a physical today. I, my wife and I, are fortunate that we are covered by our medical problems. And there is many of them. And the young doctor and I agreed, he agreed with me, that the medical delivery system is fragmented and in chaos. Well, hallelujah we already knew that.

He also said that 50 percent of the medical bill is paid by the government. So as far as single payer system is concerned, we're halfway there. He expects that 80 percent will be paid by the government by the year 2025. I don't know where he gets his figures. He's so young that he doesn't know that years ago I couldn't get an appointment on Wednesday because all the docs were at the golf course.

I wanted to -- I have nothing to add. We all know it's bad. We all know it needs to be fixed. I think there are some

simple questions that we can ask. One is do we want to do it. Simple yes or no. If it's no we leave it alone and it gets worse. If the answer is yes, then we get our priorities in order, we get an agenda and we get leadership and get people who will do something about it.

I've had many hospital experiences, some good some bad. My wife was recently at a rehab center in Elmhurst. It was like a Chinese fire drill. I had excellent care -- we had excellent care at the Elmhurst hospital. I commented on how well organized they seemed to be and was told by a social worker there that they are really overstaffed. And in retrospect she was correct. I have 30 years experience in manufacturing management and I'm an experienced observer. And I see waste -- I see waste wherever I go. It just happens we're talking about hospitals now. And then you might -- Advocate, you might have a very good system, but I haven't been in your hospital. I come over and do a study and see how good it is.

Well, that's my story. If we

decide what we want to do, we have to get the leadership to lead us, we've got to do it right, we can't -- I hate to use a vulgar expression, but we can't piss in the soup again like we've been doing all these years, and end of story. Thank you. And if you see the rest of them tell them I asked about their presence.

MEMBER PRINTEN: Might I just say in their defense it's not that they don't care about the healthcare. I don't know where they are because they're all individuals, but we meet many times a month and it just so happens tonight that we had four that -- I guess four that couldn't be here, but they are all very devoted members of the Task Force.

MR. DIONESOTES: But not devoted enough to make the meeting that we came to. I'm a critic.

MEMBER PRINTEN: Right. But I mean this is how many meetings this is among --

CHAIRMAN ORTHOEFER: Yes. The plan was that every member attend at least three meetings. Now I'm not sure how many Congressional districts there are in Illinois

--

AUDIENCE MEMBER: 19.

CHAIRMAN ORTHOEFER: How many?

AUDIENCE MEMBER: 19.

CHAIRMAN ORTHOEFER: 19. So they're all over the state and some people, there's even meetings in Carbondale and, you know, those areas. So they ask that each of us attend three meetings. And I really can't answer where the other members are tonight. I don't know.

MR. DIONESOTES: Next time you see your colleagues, tell them they were in my thoughts.

CHAIRMAN ORTHOEFER: We'll ask. Steve De La Rosa.

MR. DE LA ROSA: Hi name is Steve De La Rosa, "D" small "e" space capital "L" small "a" space, capital "R" small r-o-s-a.

I want to begin by thanking the Task Force, the members that are here. Good evening. I just want to say that I am a resident of Villa Park within the 6th Congressional District and for a long time have been a community activist working on a number

of various issues.

I want to say three things. One, is that healthcare for all with everyone in and no one left out should be number one. I think number two, access to quality health care, which is affordable should be number two. And three, a consideration of the thought and idea that healthcare is a right and not a whim of civil society should be number three.

I think that this great state of Illinois has the capacity and ability to lead the remaining 49 states out of this mess that we have in this country for affordable healthcare. I think that it should enact legislation which echoes those three tenets.

I know that the Healthcare Task Force is structured basically to compile data, compile stories from around the state, stories from small business people, stories from individuals, businesses and industrial concerns, and I hope that you're getting that data from around the state. And I'm hoping that when you review the data that you can make a big list and do pluses and minuses because

I've got a feeling from what I'm hearing here tonight that you're going to hear a lot more pluses for going with the single payer system than minuses of keeping the system as we have it structured now.

Enacting a single payer universal health plan would free working capital previously committed to healthcare costs across the state within the state budget for its own state employees as well as individuals, Illinois businesses, and industrial concerns. Public service groups, municipalities, the healthcare issue, and its costs associated with it are bogging the state down. Illinois has a chance to take the lead and go forward and be a leader.

I hope that the Task Force does a good deed and takes back to the legislature a plan that everyone can be proud of and not be afraid to take back to the General Assembly and present it to the citizens of Illinois. Because I think the Task Force has as part of its mission the idea to keep in mind that ya'all work for us and we want you to do a good

job. So thank you for the time.

CHAIRMAN ORTHOEFER: Well, thank you very much, Steve.

MR. JORDAN: I just want to announce my presence for the record. Jim Jordan with Division of Insurance representing --

COURT REPORTER: I can't hear you.

MR. JORDAN: I just wanted to announce my presence. I'm not here to make a comment, but I'm representing the Director of Insurance of the State of Illinois, Mike McRaith. I'd just like to compliment Elk Grove Village. I was at the meeting last week. Very impressive comments.

CHAIRMAN ORTHOEFER: Anyone else?

MS. POWERS: This is your opportunity. If no one else has any comments at this point I think we will take a break at least for a little while maybe until ten after and if some other folks trickle in then we'll resume at that point.

(Whereupon a short break was taken.)

CHAIRMAN ORTHOEFER: If you'll have a

seat and we'll get started again. We have one more speaker. Carol Davis.

MS. DAVIS: I would like to thank you very much for having this and I would like you to know that I think this is one of the most important things we can do for our state and our nation. I think it is essential. I work for a neighborhood group, Latin Americans United. I'm the secretary. And we constantly do have problems of people who lack insurance. And they don't have healthcare and this is at all age levels. Many times children have to attend school and they really are sick and it is a concern that things can be spread in the school by the children, but the parents honestly don't have the money until the next paycheck to take them to the doctor. And sometimes the parents will catch something when it goes through the whole family and the parents themselves can't go.

Another issue is people who have medical problems that keep them from getting health insurance. And there is one example of a woman who has epilepsy and was

unable to secure health insurance because of this. And for a while she was able to get it through C.O.D., she was taking classes at the college and getting the college insurance, but they did raise the rates and made it less possible for her to do that. They increased the number of hours you have to go. So people who are picking up insurance on the side through a means, there really wasn't -- I realize it wasn't designed for this, but it was picking up a lot. Just don't have that.

She broke her leg and it cost $40,000. I doubt that she paid for all of it. I doubt that she was able to. I'm sure she paid whatever she could, but it is a hardship on the hospital. It's just the whole system that doesn't seam to work.

I don't have my copy with me. I will be sending that in. I just realized that you were going to be here and I just wanted to come out and support your efforts and let you know they're very important to us. Thank you.

CHAIRMAN ORTHOEFER: Yes. Thank you

very much. Any other comments?

MS. POWERS: I think we can probably break again then. We'll be here until 6:30 if anybody else rolls in or if anyone else decides that they want to speak we'll be here. Thank you.

(Whereupon a short break was taken.)

(Which were all the Proceedings had.)

STATE OF ILLINOIS)
) SS.
COUNTY OF C O O K)

I, JOAN M. BURKE, a Certified Shorthand Reporter of the State of Illinois, do hereby certify that I reported in shorthand the proceedings had at the hearing aforesaid, and that the foregoing is a true, complete and correct transcript of the proceedings of said hearing as appeared from my stenographic notes so taken and transcribed under my personal direction.

In WITNESS WHEREOF, I do hereunto set my hand at Chicago, Illinois, this 16th day of January, 2006.

_____

Joan M. Burke, CSR, RPR

C.S.R. Certificate No. 084-2259