

**RI MEDICAL SOCIETY NEWS**

- 3 *RIteCare Rally*
- 10 *RIMS on hospital mergers*
- 10 *RIMS on retail clinics*
- 10 *Bicycle helmet distribution*
- 11 *Tribute to Dr. Rakatansky*
- 18 *Briefly Noted*
- 19 *Tar Wars 2008*
- 20 *AAFP honors RIMS*

FROM THE PRESIDENT

- 9 *If You Can't Take the Punches, It Don't Mean a Thing*

GOVERNMENT

- 1 *2008 Legislative Report*
- 4 *Health-related legislation*

AMA NEWS

- 7 *Giniatt Honored*
- 7 *Warde elected to AMA Litigation Center*
- 8 *Report from June meeting*

LIABILITY

- 10 *2007 Statistics from the RI Board of Medical Licensure and Discipline*
- 12 *Cut liability exposure with email FDA notices*
- 12 *NORCAL announces level rates for RI in '09*

PRACTICE MANAGEMENT

- 15 *Healthcare Solutions Partnership Committee*
- 15 *PCPs using EMRs can earn more from BCBSRI*

Legislative wrap-up

A state budget built on cost-shifting

And a General Assembly session that produced little else

It was a year when the state's budget crisis, in the words of RIMS Public Laws Committee Chair Michael E. Migliori, MD, "sucked the air out of everything else."

Of 2623 pieces of legislation introduced in the House and Senate and reviewed by the staff and Public Laws Committee of the Medical Society, about 175 had potential for significant impact on health care, but few became law.

One of those that did succeed was a RIMS initiative that permits doctors to write prescriptions for 90-day supplies of Schedule II drugs. Another RIMS submission that became law adds mobile screening vans to the legal definition of a "health care facility," giving the Department of Health authority to regulate those often dubious and lucrative enterprises, which advertise heavily and tend to prey on public anxieties.

A bleak state budget

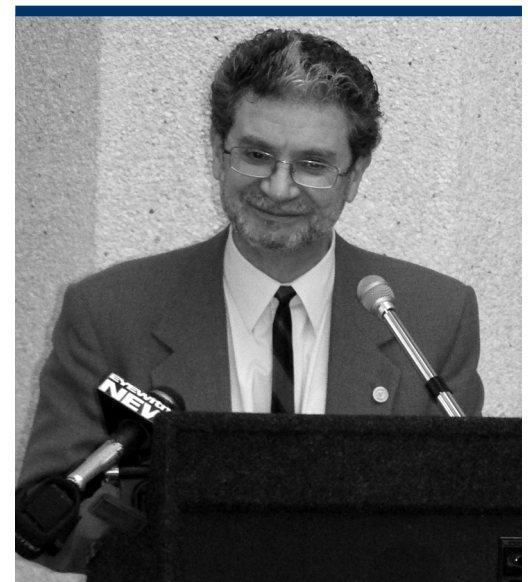
Starting in 2007, Rhode Island's elected leaders have been facing a \$425 million shortfall and the state's deepest fiscal crisis since the credit union collapse of 1992. They responded less by making bold structural changes in state government than by shifting costs to other sectors or into the future. And rather than spreading the onus broadly, lawmakers and the Governor tended to focus it on vulnerable groups, disguise it or postpone it.

Indeed, the Republican Governor and the Democratic General Assembly worked together in remarkable harmony to dismantle large pieces of Rhode Island's social safety net, shift state burdens to the shoulders of businesses and property owners (albeit mostly by indirection), and seize one-time savings here and there. In short, it was more of the same sort of short-term, stop-gap management that has characterized

previous state budgets and made the state's current problems inevitable.

While state leaders boasted of balancing the budget without passing new, broad-based taxes, they seemed to be banking on public amnesia and on limited public understanding of the state's financial condition. Faced with the choice of paying now or incurring still higher costs later on, state leaders tended to cross their fingers and favor the second option.

In some areas of the budget, state leaders booked 365 days' worth of ephemeral savings from programs that are not yet in place, thereby virtually guaranteeing that the new budget would already be out of balance within days of the start of the new fiscal year that began July 1. It was clear by mid-July, for example, that slashing the state workforce will not yield all of the projected savings. *continued*



RIMS President K. Nicholas Tsiongas, MD, MPH, addressing a rally outside the doors of the RI Department of Health to protest the state's imposition of a discriminatory 2% gross receipts tax.



**RI MEDICAL SOCIETY
EXECUTIVE COMMITTEE**

PRESIDENT
K. Nicholas Tsiongas, MD, MPH

PRESIDENT-ELECT
Diane R. Siedlecki, MD

VICE PRESIDENT
Vera A. DePalo, MD

SECRETARY
Margaret A. Sun, MD

TREASURER
Mark S. Ridlen, MD

IMMEDIATE PAST PRESIDENT
Barry W. Wall, MD

AMA DELEGATES
Michael E. Migliori, MD
Arthur A. Frazzano, MD

COUNCILLORS AT LARGE
Andrew J. Dowd, MD
Jerald C. Fingerut, MD
Gillian Pearls, MD
Albert Puerini, Jr, MD

RHODE ISLAND MEDICAL NEWS
is the newsletter of the
Rhode Island Medical Society
235 Promenade Street, Suite 500
Providence RI 02908
Phone: 401-331-3207
Fax: 401-751-8050
Email: RIMS@rimed.org
Website: www.rimed.org

SUBSCRIPTION INFORMATION
A one year subscription to
Rhode Island Medical News
costs \$50. The publication is
free to members.

EDITOR
Newell E. Warde, PhD

GRAPHIC DESIGNER
Marianne Migliori

The Rhode Island Medical Society
was founded in 1812 to promote
the art and science of medicine.
RIMS is the eighth oldest state
medical association in the country.

In cooperation with the Brown
University School of Medicine,
the Rhode Island Department
of Health, and Quality Partners
of Rhode Island, the Society also
publishes a monthly magazine,
Medicine and Health Rhode Island.

FROM PAGE 1 – STATE BUDGET

Consequently, when lawmakers return in January 2009 they will confront another gap (perhaps \$150 million or so) in the current state budget and face additional difficult choices for the fiscal year that will begin July 1, 2009.

Impact on health care

Nowhere was budget-driven desperation more evident than in health care. While other states are working to diminish the ranks of the uninsured, only in Rhode Island has the state itself taken deliberate steps over the past twelve months to do just the opposite.

Rhode Island residents most directly affected include thousands of poor children and their families, the elderly and the disabled, as progressively deeper cuts have been made in RItCare and other social service programs over the past twelve months. The inevitably higher costs of delayed care and uncompensated care are already boomeranging back, though not always directly to the state. Most immediately, the burdens have been shifted to the Community Health Centers, the Community Mental Health Centers and hospital emergency departments. As the state also restricts access to antipsychotic medications, public safety services and the criminal justice system will feel the impact.

**Cutting health care:
a false economy**

Many in the Rhode Island business community who provide health benefits to their employees are well aware that their good corporate citizenship exposes them to a disproportionate share of the burdens of uncompensated care. The uninsured do receive care, and the cost of that care is passed along through the rest of the system in various ways. Moreover, those costs are driven higher by the circumstances under which the uninsured tend to receive care. Studies published by the Institute of Medicine and the American College

of Physicians have analyzed the high cost of “uninsurance,” which is borne by hospitals, doctors, clinics, Community Health Centers, Community Mental Health Centers, government at all levels, employers and the general public in a variety of ways, direct and indirect.

In addition, since health care is a major driver of the Rhode Island economy, cuts in funding for health care can be fiscally counterproductive for the state, especially when what the state spends is more than doubled by federal dollars. RItCare receives two-thirds of its money from Washington, and the rest of Rhode Island Medicaid receives more than half. When the state cuts its own spending, that portion of the federal match is lost, delivering a double blow to patients, health sector workers, institutions and the Rhode Island economy.

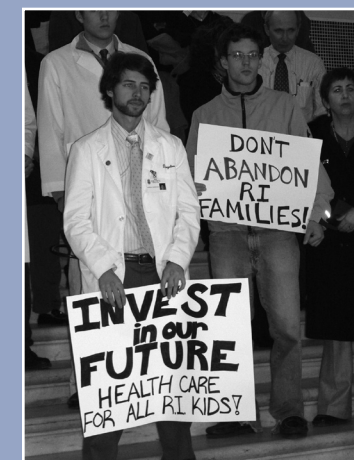
**Rhode Island’s unprecedented
gamble: a “Global Waiver”
for Medicaid**

The state is banking on major savings (\$67 million in the first year) from a radical five-year restructuring of Rhode Island Medicaid under a so-called “global waiver” from the federal government, something that no other state has attempted. The state must apply and receive federal approval before it can implement the risky plan, but the projected date for submitting the application has been slipping and is now projected for mid-August. If it gets the waiver, Rhode Island would give up its rolling 47%/ 53% split of Medicaid funding with the federal government in return for a capped, front-loaded lump sum of \$12.4 billion to cover the next five years. Once that money is gone, the state will be on the hook for 100% of Medicaid expenses.

(Of course, the Governor himself will be gone in just two years, leaving his successor to deal with any shortfall.)

The cuts to RItCare and the quest for the global Medicaid waiver are ominous indications that the Governor and the General Assembly have abandoned hope of reforming the

**Dr. Tsiongas leads State House
rally in defense of RItCare**



Brown University medical students turned out in force at the State House to support RItCare and protest proposed state budget cuts in the successful program, which has provided health benefits to poor children and their families since 1994.



Dr. Tsiongas leads a rally at the State House in defense of RItCare. In the background is Lieutenant Governor Elizabeth Roberts. To her left is Andrew Snyder, MD, of the Rhode Island Academy of Pediatrics; Yul Ejnes, MD, of the American College of Physicians; and Donna Policastro, RN, Executive Director of the Rhode Island Nurses Association.

health care system. Preserving RItCare and Medicaid intact would be a necessary foundation for reform. However, rather than dedicating itself to controlling everyone’s health care costs, state government is focused on controlling its own costs and passing off responsibility to the private sector.

Provider taxes

The new budget did not change physician licensure fees, which were already raised sharply last year. Nor did it increase or expand the infamous 2% “provider taxes” on certain gross receipts that were imposed for the first time on many doctors a year ago with the 2008 fiscal year budget. The Medical Society attempted to repeal those taxes legislatively this year without success but remains on track

with a parallel effort to challenge the taxes in court.

The fact that the state did not seek to raise or broaden the provider taxes this year is a minor victory for RIMS and confirmation of the importance of refusing to take the discriminatory taxes lying down.

Other budget provisions

The new state budget raises the existing tax on health insurance premiums from 1.1% to 1.4%, which the insurers are permitted to pass through to purchasers. It also raises hospital licensure fees and reduces the Medicaid reimbursement formula for hospitals.

Relevant to medicine and health care as well are major savings (\$91 million) projected by the new state budget from attrition and other

unspecified changes in state personnel and from overall roughly level funding (after deep cuts last year) to the cities and towns.

The state’s projected personnel savings do not consider concomitant losses of productivity. The Department of Health, which has already been hamstrung by recurring budget cuts for the past twenty years, has suffered especially heavy losses this year with the departure of individuals with decades of experience and invaluable institutional memory.

Cuts to the municipalities last year and this year will result in further cost shifting, as the cities and towns respond by raising property taxes. Several municipalities are already moving to implement mid-term property tax hikes. ❖

Below is a summary of health-related legislation passed in the General Assembly Session that ended with a rare Saturday session on June 21, 2008.

CHAPTER	BILL	TITLE
024 / 029	S 2284 H 7281	Health and safety – healthcare facilities – pressure ulcers. This act adds the occurrence of pressure ulcers to the list of subjects on which the health care quality steering committee shall advise.
068 / 070	H 8014Bam S 2800A	Insurance – health – ambulances – co-payments. This act provides that every individual or group health insurance contract, plan or policy delivered, issued for delivery, or renewed in this state will generally not require a co-payment and/or deductible for licensed ambulance service in excess of fifty dollars.
086 / 090	H 7463A S 2130 A	Education – health and safety of pupils – allergies – notice This act directs the governing bodies of each school to develop a policy designed to provide a safe environment for students with peanut/tree nut allergies. It also repeals the current provisions requiring the posting of notices in schools regarding the presence of children with such food allergies
095 / 290	S 2680A H 7914B	Health and safety – healthcare facilities – monitoring – hospital acquired infections. This act creates the Hospital Infections Disclosure Act, which requires hospitals to collect data on hospital-acquired infections and report them to the department of health. This act also provides penalties for hospitals in violation of the act.
099 / 160	S 2286B H 7493B	Insurance – health – market expansion. This act endeavors to foster a regional health insurance market.
100	H 7390Aam	State – appropriations for support for fiscal year ending June 30, 2009 and various amendments to the General Laws for the implementation of the State Budget provisions. Article 17: Relating to Rhode Island Medicaid Reform act. Article 19: Relating to hospital uncompensated care. Article 20: Relating to human services – children’s health account. Article 28: Relating to restricted receipt accounts. Article 31: Relating to licensing of hospital facilities. Article 32: Relating to health insurance premium tax.
101 / 153	S 2160Aam H 7963Aam	Health and safety – umbilical cord blood bank This act requires hospitals and other obstetrical facilities and professionals to inform their patients of the option of donating umbilical cord blood to umbilical cord blood banks. This act also requires hospitals and other obstetrical facilities to facilitate the donation of umbilical cord blood to umbilical cord blood banks.
104	H 7350Aam	Taxation – tobacco. This act extends the cigarette tax beyond the current ending date of June 30, 2008. It also amends the definition of cigarettes and adds a new chapter “little cigar tax.”
113 / 248	S 2484Bam H 7352Aam	Health and safety – Healthy Rhode Island Reform Act. This act establishes the healthy Rhode Island strategic plan and chronic care management program.
114 / 207	S 2481 B H 7465A	Health and safety – healthcare – reporting. This act creates a health care quality and value database.
124 / 186	H 7961A S 2479A	Businesses and professions – nurses – prescriptions. This act limits the prescription privileges of certified nurse practitioners.
157 / 175	H 7561B S 2677Aam	Health and safety – patient safety. This act establishes the Rhode Island patient safety and quality improvement act of 2008. The goals of this act are to promote patient safety, reduce patient safety events, and encourage better reporting of patient safety events and related incidents by permitting reporting entities to contract with a certified Patient Safety Organization by January 1, 2010.
171 / 466	S 2679Aam H 7409Aam	Business and professions – Health Information Exchange Act. This act establishes the “Rhode Island Health Information Exchange Act of 2008” for the purpose of providing safeguards and confidentiality protection for health information exchange.
221 / 317	H 7570Aam S 2278A	Food and drug – prescriptions – controlled substances. This act voids schedule II prescriptions not dispensed within ninety (90) days of the prescription’s date and schedule III, IV and V within one hundred eighty (180) days. It further amends certain monthly supply limits. This act takes effect September 1, 2008.
223 / 308	H 7467B S 2283 Aam	Health and safety – breastfeeding – civil actions. This act allows a woman to feed her child by bottle or breast in any place open to the public, allows her a private cause of action for denial of this right and sets forth the remedies therefore. This act takes effect on March 1, 2009.

225 / 409	H 7870Aam S 2475A	Business and professions – physical therapists – business relationships. This act provides that any person licensed as a physical therapist who has a bona fide employment or independent contract with a physician or physician group or is a co-owner of a physical therapy practice with a physician group shall not be deemed to be engaging in conduct detrimental to the public by virtue of this relationship.
243	H 7014Aam	Education – health and safety of pupils – diabetes – training. This act requires school departments to develop policies and procedures for administering injections to diabetic students in the event of an emergency. The policy would include parent authorization and the training of school personnel.
245 / 313	H 7464 S 2224	Health and safety – healthcare facilities – mobile health screening vehicles. This act defines a mobile health screening vehicle and would provide that such vehicles would be deemed to be health care facilities.
254	H 7280A	Education – curriculums – health and physical education. Commencing September 1, 2012, this act requires that the physical education and health curriculums in schools be based on standards set by Rhode Island Health Education Framework and the Rhode Island Physical Education Framework.
304 / 424	H 8078 S 2866	Health and safety – healthcare services – utilization review. This act requires the department of human services to report to the general assembly by the 15th of January each year and also extends the sunset provision to July 1, 2011.
305 / 433	H 8089A S 2889Aam	Businesses and professions – optometrists – opticians – repeal – licenses – boards – definitions. This act repeals the old chapter on optometrists and creates two new chapters, one of which addresses the profession of optometry and the second of which establishes a chapter on opticians.
416	S 2676Aam	Business and professions – psychology – licenses – boards. This act makes certain revisions to the general laws that regulate the psychology profession.
455	S 2939	Towns and cities – health and education building corporation – non-profit clinical laboratories. This act allows non-profit clinical laboratories to receive financing from the Rhode Island Health and Educational Building Corporation.
	S 2222 H 7466	Joint resolution creating a joint task force to study all aspects of health care reform relating to the healthy Rhode island reform act of 2008 - Part VIII This resolution creates a nine (9) member special joint task force whose purpose is to make a comprehensive study of all aspects of health care reform. The task force is to report back to the General Assembly no later than June 4, 2009 and shall expire on August 4, 2009.
	H 7909	Joint resolution creating a special legislative commission to study, develop a strategy, and promote interoperability of all aspects of electronic health record utilization in the state of Rhode Island. This resolution creates the Electronic Health Records Task Force, a twenty-three (23) member special legislative commission, whose purpose is to study and promote the interoperability of all aspects of electronic health record utilization in the state and report back to the General Assembly no later than January 6, 2009. The task force shall expire on March 6, 2009.

VETOES

	S 2113	An act relating to state affairs and government – restricting radio frequency identification devices This act would have restricted the use of radio frequency identification devices for the purpose of tracking the movement or identity of an employee, student or client as a condition of obtaining a benefit or services from such agency.
	S 2692 H 787	An act relating to health and safety – center for health professions act This act would have created a center for health professionals for the development of a healthcare workforce
	H 7888	Joint resolution relating to the Edward O. Hawkins and Thomas C. Slater medical marijuana act (makes various changes to the medical marijuana act, including the creation and regulation of compassion centers to aid qualifying patients and their registered primary caregivers with respect to this act). This joint resolution would create a thirteen (13) member joint study commission for the purpose of evaluating the merits of allowing the licensure of non-profit medical marijuana compassion centers in the state. The resolution would require that the commission make its recommendations to the General Assembly on or before January 31, 2009, and would expire on February 1, 2009.