

R.I. health care reform plan seeks drug savings

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by Richard C. Lewis
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PROVIDENCE — Lt. Gov. Charles Fogarty presented a health care reform package last week that he said will help meet the medical needs of Rhode Islanders and allow the state to negotiate lower prescription drug costs for residents and state employees.

The package, called Health Care Reform 2004, aims to increase oversight of the health care industry, especially those agencies charged with monitoring how insurance plans are set.

The plan also calls for a program called RxRI that would allow residents with incomes below \$31,000 per year to purchase drugs at discount. Fogarty said the initiative, modeled after the Maine Rx program, would save the state money by giving it leverage to negotiate better deals.

Fogarty also proposed establishing an authority to negotiate insurance costs for the about 15,300 state workers. It costs the state \$168 million to insure its employees.

Fogarty did not give a cost estimate for his plan, but said some components will save millions of dollars, especially in prescription drug costs. He would not say how much it would cost to expand health care access, especially to young adults.

"The costliest option is for the state of Rhode Island to do nothing," he said.

The lieutenant governor said he doesn't expect his plan to be adopted in full during the legislative session that begins next month. He expects the entire package to be debated by lawmakers during this and future sessions.

"There is no quick fix. These recommendations will help us move forward and replace gaps in the health care system," he said.

Gov. Don Carcieri's spokesman, Jeff Neal, said the governor was studying the package.

Fogarty did not consult with the state's largest health insurer, Blue Cross/Blue Shield, said company spokesman Scott Fraser.

Fraser said company officials would be willing to work on any reforms, but added that oversight in the state is so extensive that it has deterred other insurers from entering the market.

To lower prescription drug costs, Fogarty proposed to study whether to coordinate the state's drug purchases into one department. Currently four agencies buy medication.

Fogarty also wants to expand coverage for people up to age 24 through the RITE Care program, which offers assistance in paying premiums. That program currently covers those up to age 19. □