

HARD CHOICES AHEAD

The state's new health exchange must use evidence, not emotions, in choosing what to cover

Last month, Health and Human Services secretary Kathleen Sebelius announced that each state would have considerable discretion in deciding what health plan model it would adopt to provide coverage to millions of Americans through



ANOTHER VOICE
MARGE GINSBURG

the federal health care reform law starting in 2014. The announcement was a surprise to many, myself included. Over the past year, I was one of the 18 members of an Institute of Medicine committee asked by HHS to define the principles guiding what the essential health benefits would be.

While the committee recommended state flexibility, we did not expect such wide latitude.

But I am most concerned that other aspects of the IOM report, titled "Balancing Coverage with Cost," will be neglected by HHS and by the states. The report emphasized several keys to constructing and maintaining a broad yet affordable benefits package. One of the most important is evidence-based practice — that is, providing and paying for medical care that research demonstrated to be safe, effective and of sufficient value. While evidence-based practice may not sound controversial, it will take a strong-willed state health benefit

exchange to do it justice.

The challenges are formidable. The following example — a failed treatment for breast cancer — shows why.

In November, the Food and Drug Administration ruled that the drug Avastin would no longer be approved for the treatment of late-stage breast cancer. Avastin had received preliminary FDA approval, but, after further years of study, the FDA concluded that it did not help patients with advanced breast cancer live longer or even slow the growth of the cancer. Reports of this ruling were met with controversy and even outrage as some doctors, patients and cancer-advocacy groups rejected the findings.

Sixty percent of all metastatic breast cancer patients were taking Avastin at a cost of \$99,000 per patient per year when the FDA made its determination. Yet Medicare, despite its dire financial problems, announced that it would continue to pay for the treatment, and some private insurance carriers have also hesitated to withdraw coverage, likely concerned about a public backlash.

The responses to this report — and countless others where medical treatments are shown to be ineffective or marginally useful — illustrate how evidence-based practice is honored more in the breach than in the observance. When the results of medical research are not accepted by a vocal subset of Americans and interest groups, then health care coverage is held hostage

to emotion, personal stories and the interests of the drug industry. Yet health insurance companies aren't the victims when evidence-based practice is disregarded; they simply add the increased costs to their rates. It is consumers, small-business owners and the taxpayers who will pay higher rates next year.

The federal Affordable Care Act provides great hope for bringing health care insurance to so many people who have been without. It is also an opportunity to start afresh, to define and to live by core principles that are fair, reasonable and, most of all, will result in coverage that truly is both beneficial and affordable.

Evidence-based practice is not easy. Much of it pertains to treatments that patients hope will be life-saving, relieve suffering or bring function where there was none. Americans have high expectations of what medical science can do; they are understandably disappointed and resistant when it fails. But if we cannot bring discipline and reason to the task of determining how our health care dollars will be used, then the ACA is unlikely to succeed. Expanding coverage without a commitment to affordability — in practice, not just theory — is a profound disservice to those waiting for the coverage they need.

MARGE GINSBURG is executive director of the Center for Healthcare Decisions in Rancho Cordova. Reach her at www.chcd.org.

Runyon and Saltzman — yin and yang

Estelle Saltzman's business partner, mentor and dear friend Jean Runyon battled and conquered a host of illnesses during the past few decades, marrying and burying a few husbands along the way. But it still surprised Saltzman when Runyon died at 82 in 2009. "I didn't really expect her to ever leave," she says.

The two met in 1972 and would gradually become partners in what's now called Runyon, Saltzman & Einhorn, which this publication cited as the region's second highest-billing advertising agency in a recent Top 25 list. Runyon — an actress, political activist, art collector, philanthropist and well-known madcap — was "the yin to my yang," Saltzman said. "I was a reporter and editor and pretty serious. Jean was lively and engaging, a genuine entertainer. We met



ED GOLDMAN

when she was doing public relations for the State Fair and hired me to do press releases. She was so funny that it took me a while to get used to being around her."

The Runyon agency, as it's familiarly known, is heading back to thrive mode after a year in which, Saltzman says, "We just broke even. I realize that's a lot better than some other agencies and businesses did and I'm very grateful. But 2012 looks pretty darned good." The firm hired five new employees in one month; it now has a staff of 44; nearly all are full-time.

We're chatting in the agency's fourth-floor offices in the One Capitol Mall building. Dressed comfortably in a soft purple sweater and dark slacks, Saltzman looks out the window at her views of the Tower Bridge, the Sacramento River and, notably, Raley's Field. "I keep a (catcher's) mitt here in my office and catch foul balls," she says.

The not-entirely-solemn Saltzman was born to Max and Bernice Goodman, a physician and homemaker, in Eureka not quite 70 years ago. She always wanted to be a reporter and began her career in high school, writing stories for the Humboldt Times. She left to attend UCLA, where she met her husband of 22 years, Mort Saltzman, now retired from The Sacramento Bee (they divorced in the 1980s).

"Jeanie was always giving money to causes and starving artists or not billing clients when she felt they were having a hard time financially. I told her we ought to put a tagline under our agency's sign: 'A nonprofit corporation.'" Apparently, madcap is a contagious condition.

ED GOLDMAN, president of Goldman Communications Inc., is a Sacramento writer and marketing consultant. Read his blog daily

FEEDBACK

Let's bring education administrator salaries in line with faculty pay

Editor: I read your latest opinion piece on failing education with great interest and also great jaundice.

As a product of the public education system of the 1970s, I can tell you that public education was phenomenal at that time. Now, not so much.

If you want to really explore the reasons for this, go look at administration costs. At the K-12 level, the teachers might earn \$30,000 for a 9-month year, the principal \$50,000 — max. Now the teachers earn \$45,000 if they are lucky and the principal makes \$120,000. If it were only the principal, it would not be a big deal, but there are innumerable assistant principals, aides, coordinators, all making \$80,000 to 100,000 a year. The administrative budgets in the K-12 levels have exploded, while the salaries and school supplies have dwindled.

At the university level, it is more of the same, only much worse. Try to get some figures from those mighty administrators about the administrative budgets and their growth over the

past 20 years. The administrators are making multiple orders of magnitudes more than the faculty, and there are oh so many more of them than there used to be.

I would not support investing one more cent into higher education in this state until a top-to-bottom review of administrative costs and salaries occurs that results in bringing these salaries and costs more in line with the faculty's salaries and benefits. The universities need more high-performing faculty, and far fewer high-paid deans and presidents.

— John T. Bakos

What are Sacramento Business Journal readers talking about this week? Some posted comments at sacramentobusinessjournal.com about the Business Pulse Survey question: Who's the best GOP alternative to Mitt Romney now?

'Ronald McDonald. Way better clown makeup than the other clowns. None of whom stand a chance against President Obama in any matchup poll.'

— Frank Casanova

'President Obama has the votes — none of the Republicans poll strong enough to beat him.'

— Jaede Miloslavich

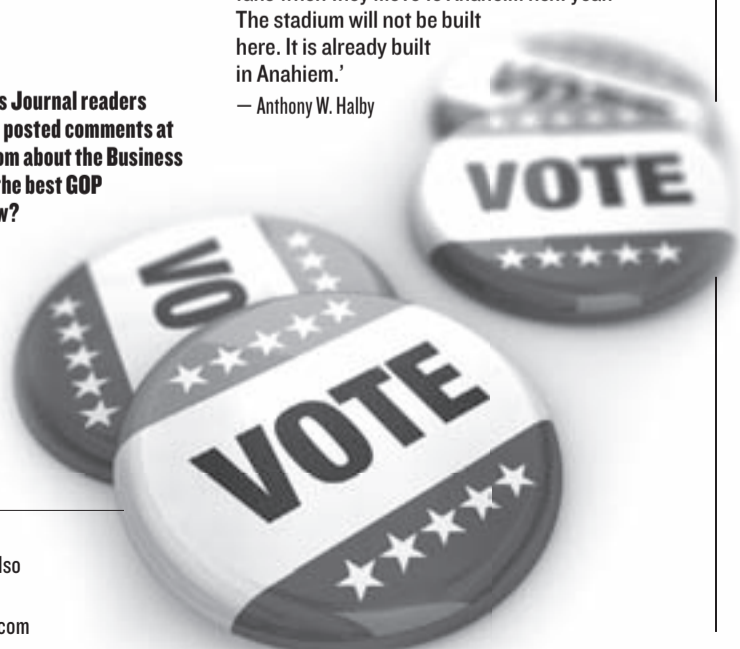
'Hillary was my choice in 2008. Hillary Clinton is still my choice even though she's been farmed out.'

— Gene Albaugh

On the firing of Sacramento Kings coach Paul Westphal:

'It's OK. They are just planning to put a good product with a good coach so as to attract new fans when they move to Anaheim next year. The stadium will not be built here. It is already built in Anaheim.'

— Anthony W. Halby



YOUR COMMENTS WELCOME

Readers of the Business Journal want to hear from you. Write the editor or post your comments online. The Journal reserves the right to edit for brevity, clarity and content. Submissions may also be published or re-used in any medium.

Write the editor: jrobinson@bizjournals.com • Post comments: sacramentobusinessjournal.com

