



# Washington Hot Line

by Congressman Ron Wyden

**WASHINGTON, D.C.** — Oregon Democratic Congressman Ron Wyden has introduced legislation he says will help trim health care costs and promote "responsible and effective" competition in the health care field by encouraging development of a new, health care financing alternative.

Under this financing alternative, called the Preferred Provider arrangement, doctors and other providers agree to provide services for a set fee in return for being listed as "preferred providers."

Consumers who participate in the preferred provider arrangement are free to obtain their health care from whomever or wherever they choose. If they elect to receive the care from those on the list of "preferred providers," however, they will receive a

discount or some other financial advantage.

Although many Preferred Provider Organizations (PPOs) already have grown up around the country, Wyden said they are discouraged in many areas by discriminatory state laws and regulations.

For example, the Oregon Democrat said, some states have laws which prohibit insurers from varying the amount of payment made among providers of services — an essential part of preferred provider arrangements.

Other states prohibit insurers from influencing a covered patient's choice of physician or other provider, he said.

Wyden's bill would prohibit enforcement of such laws, thus clearing the way for further development of the PPO alternative, the

Oregon Congressman said.

His bill, however, does not dictate to local communities the form that preferred provider arrangements may take, or the conditions under which they may be established, he said.

"In this time of escalating health care costs, the last thing Congress wants to do is discourage development of innovative, competitive health care financing arrangements of this sort," Wyden said.

"What we want to do — and what my bill does — is remove impediments which have a chilling effect on development of PPOs and other creative health care financing alternatives so that they can develop to their full potential."

Wyden, who last year authored prospective payment legislation to reform the way hospitals are re-

imbursed by Medicare, said the PPO concept is one that adds up for consumers and providers alike.

"The consumer wins because he or she can get health care at reduced costs, without being locked in to specific providers of care. Hospitals, physicians and other providers win because they are guaranteed a stable source of patients and prompt, full payment that helps assure a steady cash flow."

In people terms, this bill would mean coverage for all of those 161,500 Oregonians who are unemployed, uninsured and who have exhausted their benefits within the last two years.

Because there is no accurate tally of how many of the nearly 200,000 unemployed Oregonians are without any form of insurance, it is impossible to pinpoint a specific number

who would be impacted by this bill. It is safe to say, however, that thousands will.

This bill is not a perfect solution, and it could use some alteration. The bottom line, however, is to get the best package possible with adequate funding for efficient administration of the program — and as soon as possible.

Oregonians have my commitment to work to ensure that whatever is adopted will do the best possible job of meeting their needs, and in the shortest time possible.

Congress cannot afford to tolerate the administration's failure to develop a relief plan when Americans are being forced to neglect medical care until a crisis brings them to a hospital emergency room. I intend to help see that it does not.

## D.C. bans racist acts

It is now illegal in Washington, D.C., for groups to deface property with racial and religious epithets or to display swastikas or wear Klan hoods in public.

The new law, signed last week by David A. Clarke, chairman of the City Council, provides for the punishment of groups, such as the Klan or Nazis, which attempt to intimidate people because of their race or religion.

Although the "Anti-Intimidation and Defacing of Public or Private Property Criminal Penalty Act of 1982" was passed by the City Council, it is subject to congressional review because Washington, D.C., is not a state.

"Behind an able man there are always other able men." Chinese proverb

## Latin American economies

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ticks may be graphically measured as hard-pressed governments raid dwindling national reserves to meet their scheduled debt payments.

Most countries have tackled the dual problems of lower export earnings and a growing external debt by devaluing their currency. The aim is to reduce the ability to import, while domestically produced goods are made cheaper and thus more attractive to foreign buyers. Unfortunately, higher prices and galloping inflation often follow.

Inflation, of course, is not new in Latin America. What is new is its widespread nature and greater magnitude. Overall consumer prices soared to an all time high of 80 percent last year, with national inflation rates reaching 200 percent in Argentina and 100 percent in Mexico and Brazil.

Regardless of their ideologies, Latin American governments have adopted severe austerity measures in response. The poor end up paying the most. Austerity spells out less government spending in job creation or subsidies. Moreover, unemployment is the primary mechanism by which inflation is fought. There are between 26 and 27 million unemployed workers south of the border today. In addition, underemployment plagues about 23 of every 100 workers.

Hence country folk, sure that things must be better in the cities, migrate to urban areas — including many in the United States. Ever-larger pools of the unemployed are thus concentrated in towns and major metropolitan areas, waiting for something to change and ready to grab any opportunity to alter their lot. Latin America is no longer a region of peasants, and the patterns which govern its mass behavior are no longer predictable.

One certainty in this uncertain social universe is that the life of the poor has worsened. Today the poorest 40 percent of Latin America's people, according to a UN study, enjoy 5.4 percent of national income — less than in 1960 — while the richest 10 percent has consistently gained in its share, from 46.6 percent in 1960 to 47.3 percent in 1982.

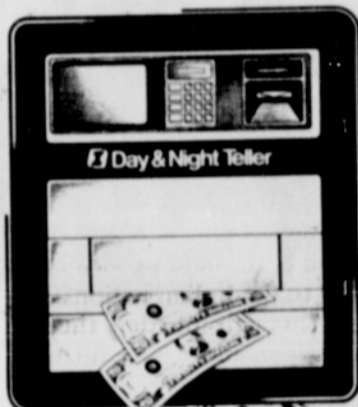
Enforced reduction of salaries for working people has also become a major trend. This policy, like currency devaluation, aims at reducing consumption while improving the competitive edge of Latin American products in the world market through a decline in costs.

In sum, the region is caught in a vicious cycle of debt-accumulation and belt-tightening, which fuels conflicts between repressive governments and restless populations. Observes Susan Kaufman Purcell, director of the Latin American Project of the Council on Foreign Relations, "If the current economic crisis continues, austerity may have politically costly implications."

Indeed, the preconditions for even more widespread conflict are now present almost everywhere in the hemisphere. For as austerity programs bring on social discontent, Latin American military dictatorships rely ever more on an institutionalized violence that knows no boundaries, and finds its victims in every social class and institution, including the Church.

\*Nelson Valdes is on the faculty of the University of New Mexico, Albuquerque.

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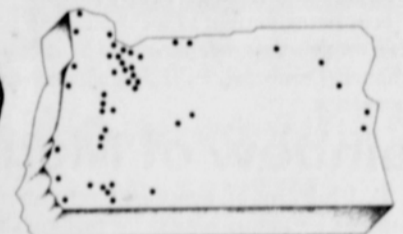
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**4th prizes.** We'll have drawings at each of the 100 Day & Night Teller offices.



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**Bring your finger.** You'll find a Day & Night Teller near you. Our demonstrators are on duty from 10 a.m. to 5 p.m. Monday through Thursday and until 6 p.m. on Friday.

Participation subject to contest rules provided with your demonstration. Be sure to tie a string around your finger to remember to come in soon.

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