

move ahead in health care reform we must pay attention to civil rights and cannot discriminate against people based on their medical condition," says Joseph Liu, a senior health associate with the Children's Defense Fund, which lobbied against Oregon's plan.

Ironically, in Oregon, some advocates for the disabled strongly support the plan, saying it will benefit more people with disabilities than it will harm. "We don't believe that there was any intention to discriminate against the disabled in the plan," says Janna Starr, executive director of the Arc of Oregon, an organization for people with developmental disabilities. "Under the system we have now, there are many things, including preventive medical and dental treatments, that no one gets, whether you're disabled or not. But under the new plan, these would be funded for everybody."

If the Administration's position is unchanged, Oregon state officials plan to rework their plan and resubmit it for an HCFA waiver. Indeed, an HCFA waiver would seem to be an essential element of health care reform because almost all state plans now under consideration break many of the same Medicaid regulations that the Oregon plan does. "Every state knows that it's just a matter of time before they're knocking at HCFA's door, asking for a waiver [on Medicaid]," says Alan Weil, a health

policy adviser to Colorado's Governor Roy Romer. Colorado is exploring ways to alter its Medicaid program and offer coverage to uninsured citizens.

But if the ADA is a legitimate argument against Oregon's plan, many states may also be disappointed. "Everyone in health care reform is concerned [about the rejection]," said Janet Rose, executive director of New Mexico's Health Policy Commission. With the highest percentage of uninsured citizens in the United States, New Mexico is also in the process of revamping its Medicaid program—and like Oregon, it is looking at a method of defining a minimum benefits package. "It was our understanding that the federal government would work with states experimenting with reform plans, but we wonder now if HCFA will ever relax its rules."

Because of the HCFA snare, Minnesota carefully designed its own plan for the uninsured so that the waivers were not required. "We consciously addressed that issue," said Mary Jo O'Brien, the deputy commissioner for Minnesota's Department of Health. "We had a vision of what we wanted, and we wanted to get things going before the federal government had a chance to get in and muck around." By subsidizing premiums for the poor via taxes on health care providers and cigarettes, Minnesota's uninsured citizens will

have access to primary care.

While Oregon officials plan for their meeting with the Administration's attorneys, officials in other states are mostly waiting to see how the Oregon drama plays itself out. But some of them aren't just waiting—they're seeking ways to remove federal obstacles to health care reform. Colorado's Romer, who is also chairman of the National Governors' Association, is leading the association's effort to make it easier for states to get Medicaid waivers. And 2 weeks ago, Senators Patrick Leahy (D-VT) and David Pryor (D-AR) introduced legislation that would remove the many federal roadblocks (from Medicaid and Medicare waivers to possible problems with the 1974 Employee Retirement Income Security Act) that now stand in every state's way.

Whatever the fate of that legislation, "health care reform is a train going down the tracks that no one can stop," says Howard Leichter from the Oregon Health Sciences University. "It may take a little while longer now in this state before something happens, but Oregon has committed itself, and its plan won't die."

—Virginia Morell

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CONFLICTS OF INTEREST

Dingell Launches a New Investigation

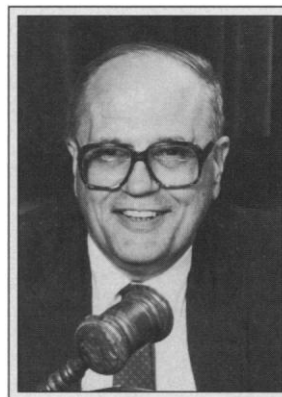
Master chef John Dingell (better known in the academic community as the Michigan Democrat who has been terrorizing universities over research fraud and indirect costs) is at it again, blending together the ingredients for scandal stew. This time, he's following a tried-and-true recipe: Take two prestigious northern California universities still reeling from the after-effects of the indirect cost scandal. Stir in a self-proclaimed watchdog named Paul Biddle, who as a government auditor blew the whistle on indirect cost abuses at Stanford and now investigates government programs as a private citizen armed with the Freedom of Information Act. Add investigators from Dingell's oversight subcommittee and a handful of research-related conflict of interest allegations, cover well, and simmer all summer. Come late September, gather the media and serve up generous portions. If the stew is to the media's taste, the academic community could end up with another severe problem on its hands.

Dingell's new investigation, which was first reported by the *San Jose Mercury News*, is still at an early stage, so details are somewhat scarce. But one Dingell aide, who spoke on condition of anonymity, says the primary focus is on possible conflicts of interest of researchers who have ties to industry. The sub-

committee is looking for potential conflicts ranging from direct abuse of federal funds—for example, a researcher "using government money to manufacture widgets that are then sold for [his own] personal benefit" the aide says—to more subtle problems such as scientists with industry ties serving on federal advisory panels. So far, investigators have concentrated mainly on grants funded by NASA at Stanford and the University of California, Berkeley. But the probe will almost certainly expand to include grants from other agencies—in particular, the Department of Health and Human Services—and universities nationwide.

At the same time, the committee is continuing its probe of indirect costs, with some assistance from Biddle. After running an unsuccessful campaign for Congress earlier this year, Biddle began investigating the University of California—his curiosity piqued, he says, by the lucrative separation package the university said it would award its president, David Gardner, when he retires this October. By

combing through public documents, Biddle says, he put together a picture of what he calls "significant abuse of the federal reimbursement process." He says he forwarded his findings to Dingell's staff, which is pursuing them.



Conflicts on campus? Rep. John Dingell.

The universities themselves are reacting to news of Dingell's new probe much as they did to early reports of indirect cost abuse. Administrators complain that they were largely in the dark about Dingell's work—until the *Mercury News* broke the story, officials weren't even aware the subcommittee staff was looking into possible problems on their campuses. Spokespersons at Stanford and the University of California, Berkeley, insist that Dingell's staff is unlikely to turn up any horror stories, emphasizing the stringency of their accounting

and their detailed conflict of interest policies. "I know we're saying everything we've got is sound, and we'll stand by it," says a University of California spokesman. But to judge from Dingell's track record, the universities may end up with indigestion from the congressman's scandal stew.

—David P. Hamilton