Insurers Offer Health Coverage Guarantee

BY MARY ELLEN SCHNEIDER
New York Bureau

As a new administration prepares to tackle health care reform, the health insurance industry is offering a few suggestions.

America's Health Insurance Plans (AHIP), representing about 1,300 companies covering more than 200 million Americans, says its members would be willing to guarantee coverage for individuals with preexisting medical conditions in exchange for a government mandate that all individuals purchase health insurance.

AHIP's board of directors issued the proposal after conducting a nationwide "listening tour" on health care during which many Americans raised concerns about the lack of coverage for preexisting conditions in the individual insurance market.

But to make guaranteed coverage a reality, the federal government will need to require that individuals purchase coverage and use mechanisms such as an insurance coverage verification system, an automatic enrollment process, and some type of enforcement, the group said.

When coverage is guaranteed and there is no mandate to have insurance, individuals tend not to purchase insurance until they get sick, which drives up costs, said Robert Zirkelbach, a spokesman for AHIP. For example, a study conducted on behalf of AHIP by Milliman Inc. found that in many states that implemented guarantee issue or community rating policies in the 1990s, insurance premiums had gone up and individual insurance enrollment had gone down. In addition, some health plans had left the individual insurance marketplace.

The AHIP proposal also aims to increase the affordability of health insurance plans on the individual market. The group suggests lowering costs for consumers through refundable tax credits. In addition, it proposes tackling the overall cost of medical services by expanding the use of preventive services, conducting comparative effectiveness trials for medications and devices, and reforming the medical liability system.

The AHIP proposal also supports expanding eligibility for Medicaid and the Children's Health Insurance Program.

"No one should fall through the cracks of our health care system," Karen Ignagni, AHIP president and CEO, said in a statement. "Universal coverage is within reach and can be achieved by building on the current system."

Affordability will be critical to the success of any proposal, said Ron Pollack, executive director and vice president of Families USA, a nonprofit, nonpartisan organization focused on health care affordability. "How can you require someone to do something they simply can't achieve?"

Families USA supports the idea of a mandate for health insurance coverage, Mr. Pollack said, but only if it includes adequate subsidies and help for those who can't afford to purchase coverage.

The AHIP proposal is a "helpful step," but some work is still needed in determining what steps can be taken to guarantee coverage if a mandate for coverage is not politically feasible, he said.

Ed Howard, executive vice president and CEO for the Alliance for Health Reform, agreed that the cost of health care will be the top priority of policy makers as they consider health care reform. Without a cost containment plan, a mandate would be hard to enforce, he said.

But he said he is somewhat optimistic that substantial health reform can be enacted, even if it is implemented in stages. "Clearly, things are getting worse," he said, referring to the growing number of uninsured and underinsured Americans.

Although there is not a crisis pushing health care on the agenda, the economic climate gives the issue some urgency, Mr. Howard said. Add to that a new administration and senior members of Congress with an interest in health reform, and there is a possibility for action, he said. ■

THE EFFECTIVE PHYSICIAN

2009: Changes?

BY WILLIAM E. GOLDEN, M.D., AND ROBERT H. HOPKINS, M.D.

A new year with new national leadership, predating a new decade. We offer thoughts about the months ahead.

Health Care Reform on Speed Dial: The pace of health care reform might have an inverse relationship to the strength of the economy. Employees laid off from bankrupt firms have found their families suddenly without health insurance and without good options. Once a health plan is dissolved, its participants cannot file for COBRA protection because there is no plan to accept the premiums. A number of patients in the midst of treatment are unexpectedly bereft of insurance. Coming soon: bailout of the COBRA-less?

Who Is Peter Orzag? This former head of the Congressional Budget Office and future head of the Office of Management and Budget might be more influential than incoming Department of Health and Human Services secretary Tom Daschle. Read Peter Orzag's PowerPoint presentation on the Medicare Trigger for a good scary bedtime story (www.kaisernetwork.org/health_cast/uploaded_files/orszag_slides.pdf).

Comparative Effectiveness: Many reformers tout the value of evidence-based decision making coupled with economic comparisons of treatments. Although this is an ideal framework, existing data are often a bit sketchy. Economic pressures could lead to expedient coverage decisions while we wait for the evidence base to mature over the next 10 years.

Entitled Public: While many will struggle to obtain basic care, others may rebel at any limitations on their health care options. Marketing and the media have fueled the belief that more health technology is better, regardless of the evidence. The indignant response of New York Times readers to the Agency for Healthcare Research and Quality advisory to avoid prostate-specific antigen testing after age 75 years was an eye-opening hint of future responses to "rational" health care policies (well.blogs.nytimes.com/2008/08/05/older-men-give-up-the-psa-test/?ref=research).

Economic Silos: As the health economy gets stressed by the deepening recession, flexible approaches to the delivery of care will be needed. Unfortunately, public discussions by major specialty societies have focused on preservation of income. Will physicians collaborate on new paradigms or will nonclinical stakeholders control the agenda as clinicians defend only their narrow practice base?

Transitions of Care: While hospitalists may make inpatient care more efficient, their existence further fragments the transition from outpatient to inpatient to outpatient care. Policy makers are targeting poor handoffs and communication among clinicians as major sources of economic inefficiency.

Value-Based Purchasing: Insurers will begin to make differential payments to providers with better (or worse) outcomes for specific conditions. Information systems might be the factor that differentiates the stronger from the weaker performers. Economic constraints will overwhelm sympathy for those without the resources to create infrastructure to respond competitively.

Whither HIT? Despite the belief that health information technology (HIT) will rationalize health care delivery, there remain substantial barriers to rationalizing HIT itself. The development of regional health information exchange has lagged because of a weak business case and protection of proprietary interests in data silos. Office-based electronic health records remain expensive for small practices with limited investment capital, and no one knows the cost impact of the impending change to ICD-10 coding. E-prescribing is growing, but slowly; integration into existing office systems continues to present difficulties. Universal HIT seems to be where we want to go, but we seem to lack a map to get there.

Patient Perceptions: Standardized surveys of patient perceptions of care will become universal for inpatient, outpatient, and nursing home care. While public reporting of clinical metrics will continue to stimulate quality improvement, Internet access to patient perceptions of care might be the core driver of consumer choice in the near future. Provision of deep vein thrombosis prophylaxis or timely antibiotics might seem a bit obscure to the average citizen, but public reporting of high rates of unpleasant experiences, impersonal care, or unresponsive health professionals could make lasting impressions on patients.

Rethinking Radiation: Many health professionals have become concerned about radiation exposure to patients from repeated CT scans. White papers now predict an increase in cancers 10-20 years after multiple exposures to CT and prolonged fluoroscopy. Quantitating and reducing exposure will become a common concern.

As we start a new year of the Effective Physician column, we regret presenting more challenges than opportunities. We will continue to share emerging evidence-based information to assist in your provision of high-value, appropriate care to your patients. In this era of change and uncertainty, we hope you and your colleagues respond with tranquility and effective strategies to support your patients and sustain your practice of medicine.

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TALK BACK

What will be the most important health care issue for your practice in 2009?

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