Many Proposals on the Table

Public Plan *from page 1*

can Medical Association passed policy that supports "health system reform alternatives that are consistent with AMA principles of pluralism, freedom of choice, freedom of practice, and universal access for patients."

The AMA leadership has shied away from coming out for or against the public plan option. But the organization has stated publicly that it does not support any plan that would force physicians to participate in a public plan or that would pay physicians based on Medicare rates. The AMA has said, however, that it will consider some of the variations on a public plan that are being discussed in Congress now, such as a federally chartered co-op health plan.

Officials at the American College of Physicians agree that provider participation in any plan should be voluntary and not tied to current participation in Medicare. The college also advocates for payment rates to be competitive with commercial payers, rather than based on the low rates currently offered by Medicare.

But the ACP also sees potential advantages to creating a public plan, according to its president, Dr. Joseph W. Stubbs. A public plan could provide a "nationwide blanket" of fall-back coverage, which would be especially helpful in areas of low penetration by insurance carriers. It could also offer a mechanism for rapidly introducing new models of care and reimbursement, such as the medical home concept. A public plan could also be a way to hold private plans accountable in areas where there is little competition currently.

"The devil will be in the details as far as whether this is a good idea or not," Dr. Stubbs said.

The American Academy of Neurology (AAN) does not have an official position on a public plan. Rod Larson, chief health policy officer at AAN, said they are reviewing legislative proposals coming out of the House and Senate with an eye to how the plans will affect the practice of neurology and their patients, who often require long-term treatment. Mr. Larson said AAN officials would be concerned about any public plan proposal that builds on the existing Medicare payment system, which they feel undervalues the cognitive services provided by neurologists.

©Scott Olson/Getty Images

'The public option is not your enemy,' President Obama told AMA delegates.

Meanwhile, other physicians have been disappointed by talk of a public plan for different reasons. Dr. David Himmelstein, an associate professor of medicine at Harvard University in Boston and the cofounder of Physicians for a National Health Program, said what's being discussed in Congress now is really "just a clone of private insurance."

Dr. Himmelstein, who favors a single-payer health system, said a public plan would fall far short of realizing the savings that could be seen with a single-payer system. A public plan wouldn't even be able to achieve the type of low overhead seen with Medicare, he said, which benefits from automatic enrollment and easy premium collection, and has no need to spend money on marketing.

President Obama, who reached out to physicians for support at the AMA meeting last month, said he understands that many physicians are skeptical about how they would fare under a public plan. In his speech to the AMA, President Obama said he intended to change the way physicians get paid, rewarding best practices and good patient care. "The public option is not your enemy," he said. "It is your friend."

Part of the problem with evaluating the public plan option is that there isn't just one. There are a number of health reform proposals circulating in both the House and the Senate, some of which include a government-run or quasi–government-run option to compete with private insurance.

The purest form of a so-called public plan would be one that is something like Medicare, where federal dollars, not just premiums, are used to support it, said Kathleen Stoll, health policy director at Families USA, which supports the general idea of a public plan but hasn't thrown its support to a particular proposal. But many lawmakers and analysts have said this design would give the public plan an advantage over private insurance products and cause private payers to leave the market, she said.

A proposal being put forward by leaders in the House would create a public plan on the same footing as other insurance plans. For example, public and private plans alike would have to adhere to the same benefit requirements and insurance market reforms and would have to be financially self-sustaining based on premiums. This proposal would not require participation by physicians but initially would use payment rates similar to those of Medicare. Rates would be unlinked from Medicare rates over time as other payment mechanisms were developed.

In the Senate, an approach getting a lot of attention is to create not a public plan but rather a federally chartered, nonprofit cooperative plan, Ms. Stoll said. ■

Health Care Disparities Highlight Need for Reform, HHS Report Says

Racial and ethnic minorities have higher rates of disease and reduced access to health care compared with the general population, according to a new report from the Department of Health and Human Services.

African Americans, for example, have chronic diseases such as diabetes at nearly twice the rate of whites. About 15% of African Americans, 14% of Hispanics, and 18% of American Indians have type 2 diabetes, compared with 8% of whites, according to the report.

Racial and ethnic minorities and low income individuals also have reduced access to health care. For example, the report found that Hispanics are only half as likely as whites to have a usual source of medical care. Racial and ethnic minorities were also less likely to lack health insurance.

These disparities highlight the need for larger health reform that invests in prevention and wellness and ensures access to affordable health care, the report concluded. HHS Secretary Kathleen Sebelius repeated that message during a roundtable discussion at the White House in June.

"Certainly the kind of disparities we've seen too often in the health care system are disproportionately represented by low-income Americans and minority Americans," she said.

But new health reform legislation will be only one part of the administration's push to reduce health disparities, Ms. Sebelius said. She pledged to do whatever possible under the current authority given to HHS to close the gap on disparities, including working within the Medicare and Medicaid programs.

Nearly all of the various minority and public health groups at the roundtable event expressed their eagerness to help get a health reform bill passed this year, but many cautioned the administration that health coverage alone does not equal meaningful access. They called for greater investment in prevention, data collection, and access to culturally competent care.

—Mary Ellen Schneider