Hike in Visit Co-Payments Tied to More Admissions

BY JANE ANDERSON

When Medicare managed care plans raise outpatient co-payments, they experience fewer outpatient visits but also more hospitalizations and longer inpatient stays, especially among chronically ill beneficiaries and those living in areas of poverty, a study showed.

The study, "Increased Ambulatory Care Copayments and Hospitalizations Among the Elderly," concluded that increasing cost sharing for ambulatory care among elderly patients may have adverse health consequences and could increase total spending on health care (N. Engl. J. Med. 2010;362:320-8).

'In response to increases in ambulatory co-payments, the elderly cut back on outpatient visits but are more likely to need expensive hospital care.'

"In response to increases in ambulatory co-payments, the elderly cut back on outpatient visits but are more likely to need expensive hospital care," said lead author Dr. Amal Trivedi of Brown University, Providence, R.I. "Therefore, increasing such co-payments among the elderly may be an ill-advised cost-containment strategy," he said in an interview.

Dr. Trivedi and his colleagues compared the use of outpatient and inpatient care between Medicare enrollees in plans that had increased co-payments for ambulatory care in a given year and enrollees in matched plans that had not. Nearly 900,000 Medicare beneficiaries were included in the study of 2001-2006 data.

The mean co-payment increases were from about $7 to $14 for outpatient primary and about $12 to $22 outpatient specialty care, while the control plans kept co-payments at about $8 for a primary care visit and $11 for specialty care.

In the year after a plan would increase co-payments, it would have almost 20 fewer outpatient visits per 100 enrollees but more than two additional inpatient hospital admissions per 100 enrollees, adding about 13 additional inpatient days—compared with plans not increasing co-payments.

The study noted that the effect of increased co-payments was significantly greater among enrollees in areas with lower average income and education. "We didn't explicitly measure health status, but the increased need for acute hospital care among these enrollees is concerning," Dr. Trivedi said.

The effect of co-payment increases also was magnified among Medicare managed care enrollees diagnosed with hypertension or diabetes and those who had histories of acute myocardial infarction, the study said.

The authors reported no conflicts of interest. ■

HHS Grants to States to Focus On Wellness, Anti-Smoking

BY ALICIA AULT

The federal government has granted states and territories $119 million to reduce tobacco use, increase physical activity, and fight obesity, the Health and Human Services department announced.

The grants are funded by the American Recovery and Reinvestment Act, also known as the stimulus package.

The money will go to programs aimed at prevention and wellness and for intervening before people get sick, said HHS Secretary Kathleen Sebelius during a press conference.

"Prevention is a 'best buy' for health," Dr. Thomas Frieden, director of the Centers for Disease Control and Prevention, said during the press conference. His agency will help states implement the grants.

The awards were made in three major categories: policy and environmental changes; innovative programs; and tobacco cessation/telephone-based "quit-lines".

All 50 states, as well as the District of Columbia and Puerto Rico, will receive funding to expand quit-lines. Dr. Frieden called the lines "highly cost effective." He noted that tobacco-related disease is the number one cause of preventable death, and that two-thirds of smokers want to quit, but haven't found the right motivation or program.

Innovative programs in 13 states will be receiving money for 15 projects. Among those: Mississippi will receive $3 million to fund a statewide smoke-free air policy and Rhode Island will receive $3 million to fund a program to help elderly residents age at home. These programs will likely serve as models for other states, said Ms. Sebelius.

Other awards will go to help schools and communities support healthy food choices, to help support physical activity, and to promote breast-feeding, said Dr. Frieden.

More information about the awards are available at www.cdc.gov/chronicdisease/recovery/. ■

POLICY & PRACTICE

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Clinic Patients Have Less Debt

Patients at "safety-net" clinics in New Orleans have fewer problems affording care and fewer instances of insufficient care than most U.S. adults, even though the clinic patients are disproportionately low-income and uninsured, the Commonwealth Fund reported. According to the group's researchers, this success indicates that the post-Katrina primary care program, which relies on a network of government-funded clinics, could serve as a national model for providing primary care to low-income groups. In a survey of the 27 New Orleans clinics, the nonprofit group found that clinic patients were much less concerned about affordability of care than were other U.S. adults and reported less medical debt and fewer unpaid medical bills. They also said they received more efficient care: Only 4% of clinic patients reported getting duplicate medical tests or being told results were delayed or missing, whereas studies of the general U.S. adult population have found that one-third of patients report such inefficiencies.

IBM Drops Copays for Primary Care

IBM said it will no longer require copayments or deductibles from U.S.–based employees getting fee-for-service primary care, making it one of the first U.S. companies to cover 100% of primary care costs through health insurance. Visits to in-network internists, family physicians, pediatricians, general practitioners, and primary osteopaths qualify for full coverage, the company said. The new benefit applies to about 80% of IBM's approximately 110,000 U.S. employees. The remaining IBM employees in this country participate in HMOs that already provide free or low-cost primary care. Big Blue also announced a new wellness incentive that would give $150 to each employee who uses online tools to monitor sleep habits, tame stress, and follow a healthier diet. The company claims that it has been a leader in the drive to develop the patient-centered medical home.

MedPAC Pushes for Pay Increases

Most Medicare beneficiaries are able to get timely appointments when they need one, according to an annual survey conducted by the Medicare Payment Advisory Commission. In fact, Medicare beneficiaries report better physician access than the privately insured population, according to the findings, which were based on a poll of 4,000 Medicare beneficiaries and 4,000 privately insured individuals ages 50-64. MedPAC also voted last month to request that Congress approve a 1% increase in the Medicare physician payment rate for 2011. They also pushed for pay increases specifically for primary care services.

Concierge Medicine Is Growing

The number of concierge practices has grown to more than 5,000 nationwide, according to a report from the National Center for Policy Analysis. The private primary care delivery model also has expanded from a high-end option for wealthy people to include uninsured patients who pay a flat fee to access primary care services they might otherwise lack, the report said. In addition, physicians have opened concierge practices that supplement Medicare and other insurance coverage. The concierge model allows physicians to experiment with different ways of charging patients, such as billing for telephone and e-mail consultations, the analysis noted. "Innovative practices now offer many different kinds of bundled prices and solutions—for those with or without insurance, for the middle income or the wealthy patient," the report's author, Devon Herrick, said.

Advantage-Plan Gaffs Are Unclear

The Centers for Medicare and Medicaid Services has little information about the number of beneficiaries who have experienced inappropriate marketing of Medicare Advantage (MA) plans, despite a high number of complaints and questions from lawmakers about the problem, a Government Accountability Office study found. The CMS took compliance and enforcement actions for inappropriate marketing against at least 73 organizations that sponsored MA plans from January 2006 through February 2009. The government actions ranged from warning letters to fines and suspensions of marketing and enrollment. It's not clear how many MA plans engage in inappropriate marketing. The GAO recommended that the CMS gather more information on the extent of inappropriate marketing.

No Smoke, No Device Authority

The U.S. District Court for the District of Columbia ruled that the Food and Drug Administration does not have the authority to regulate so-called e-cigarettes—electronic cigarettes—as a drug-device combination. E-cigarettes are battery-powered devices that deliver vaporized doses of nicotine to be inhaled. The FDA had detained multiple shipments of e-cigarettes imported by one company, Smoking Everywhere, saying that they were unapproved drug-devices. Judge Richard Leon disagreed with the FDA's justification for its action. However, he did not address whether the agency has authority to regulate e-cigarettes under the Family Smoking Prevention and Tobacco Control Act, which President Obama signed into law last June, after the e-cigarette shipments in this case had been halted.

—Jane Anderson