

# Health Insurance Premiums Rose 5% From 2007 to 2008

BY MARY ELLEN SCHNEIDER  
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The average employer-sponsored health insurance premium rose 5% from 2007 to 2008 with average premiums for family coverage reaching \$12,680, according to a report from the Kaiser Family Foundation and the Health Research and Educational Trust.

While experts said the 1-year average increase in premiums was modest, they noted that over the last 9 years the rise in premiums has outpaced growth in both wages and inflation. Since 1999, family premiums have risen from \$5,791 to \$12,680, while individual premiums have gone from \$2,196 to \$4,704, according to the report.

The findings are based on an annual survey of 2,832 randomly selected public and private companies with three or more employees. Of those companies, 1,927 responded to the full survey, while the remaining companies responded to a single question about whether they offered health coverage to their employees. The survey was conducted between January and May of this year. The full study is available online at [www.kff.org](http://www.kff.org), and an analysis was published online in the journal *Health Affairs* (doi: 10.1377/hlthaff.27.6.w492).

While American workers are paying

more for their health insurance, they may be getting less in terms of coverage, Drew Altman, Ph.D., president and CEO of the Kaiser Family Foundation, said during a press conference to release the survey results. "We're seeing a change in this survey in the comprehensiveness of the coverage workers get, especially in small firms," he said.

The survey showed that more workers are enrolled in plans with higher deductibles. In 2008, 18% of all covered workers had health plan deductibles of at least \$1,000 for single coverage, compared with 12% in 2007 and 10% in 2006. And high deductibles were more common among employees at small companies. In 2008, 35% of workers in companies with fewer than 200 employees have deductibles of \$1,000 a year for single coverage, compared with 21% last year and 16% in 2006.

American workers can expect to see more cost sharing in 2009, according to the survey results. The survey found that among employers who currently offer health benefits, 40% reported that they would be somewhat or very likely to increase the amount that employees pay for health coverage next year. Similarly, 41% reported that they would be somewhat or very likely to increase deductibles and 45% said they would be somewhat or very likely to increase office visit copayments or coinsurance amounts for employees. ■

## Committee Urges Congress, HHS to Fund Medical Homes

BY MARY ELLEN SCHNEIDER  
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Support for the concept of the patient-centered medical home continues to grow, with the latest nod coming from the federal Advisory Committee on Training in Primary Care Medicine and Dentistry.

The committee, which provides policy advice to Congress and the Health and Human Services secretary, is finalizing a report that recommends that policy makers invest in training physicians on how to operate within the medical home model and evaluate the health outcomes associated with this model of care.

A failure to invest in the medical home model now will impair efforts to improve quality and control costs, according to the committee.

The United States "faces a watershed moment when it can restructure health care to focus on prevention and coordinated, comprehensive care through the adoption of this promising new model of care," the committee wrote.

The report calls for changes to Title VII, Section 747 of the Public Health Service Act. For example, the committee is recommending that the HHS secretary expand the authority of that law to include directing continuing medical education programs to train currently practicing

physicians in aspects of the medical home.

The report also calls on the HHS secretary to promote dissemination of the best practices related to providing a medical home that have been identified by researchers.

Other draft recommendations from the committee include the following:

- Funding pilot programs that contribute to the development and evaluation of the medical home, with priority given to those programs that address the needs of underserved populations.

- Developing measures to evaluate the medical home in terms of accessibility and patient satisfaction, health status, quality of care, health disparities, and cost.

- Implementing key components of the medical home model in academic medical centers, in an effort to prepare faculty educators.

The committee's next report, which is due out in May 2009, will explore how primary care training would need to be redesigned to further the concept of the medical home.

Specifically, the report is expected to focus on the difficulties in hand-offs between pediatric specialists and adult medicine specialists when patients with chronic illnesses reach adulthood. In addition, they will consider workforce issues and medical school debt. ■

## POLICY & PRACTICE

### Part B Premiums Same for 2009

Medicare beneficiaries won't have to reach any deeper into their wallets to pay their Part B premiums and deductibles next year. Officials at the Centers for Medicare and Medicaid Services announced that the 2009 standard Part B monthly premiums will be the same as in 2008—\$96.40. This is the first time since 2000 that the standard premium has not increased over the previous year, according to the CMS. The Part B deductible also remains the same at \$135. Part B expenditures, which cover physician services and outpatient hospital services, continue to rise, but government officials were able to keep premiums from increasing because of a surplus in the Part B account of the Supplementary Medical Insurance trust fund. However, premiums are likely to go up in 2010, Richard Foster, the CMS actuary, said during a briefing.

### Part D Marketing Rules Finalized

CMS officials have finalized new Medicare Advantage and Part D prescription drug plan marketing regulations that prohibit plans from telemarketing to seniors and making other unsolicited sales contacts. Under the regulations, plans cannot provide meals to beneficiaries as part of marketing activities, and cannot conduct sales presentations or distribute or accept applications in places where health care is delivered. The rules also ban financial incentives that could encourage agents and brokers to maximize commissions by inappropriately moving, or "churning," beneficiaries from one plan to another. CMS is requiring plans to be in compliance with the provisions as they begin their marketing for the 2009 plan year. CMS also said it will increase marketplace surveillance, which includes "secret shopper" activities in which a Medicare official poses as a prospective enrollee.

### Part D Premiums Up \$3 a Month

Medicare Part D prescription drug plan premiums will average \$28 per month next year, up \$3 from \$25 per month this year, CMS Acting Administrator Kerry Weems said. In addition, some beneficiaries may see coverage changes, such as reduced coverage in the Part D "doughnut hole," Mr. Weems said during a press briefing. Some plans had been providing full coverage of generic medications through the doughnut hole, but that coverage is "decreasing somewhat," Mr. Weems said. Still, approximately 97% of beneficiaries currently enrolled in a stand-alone drug plan will have access to Part D and Medicare Advantage plans next year with premiums at the same cost or lower than their coverage this year, though they might have to switch plans to do so, Mr. Weems said.

### Retail Clinics Reach Underserved

Retail clinics reach patients who don't have a regular primary care physician, but there is no evidence that the clinics reduce overall health care costs, according to two studies published in the journal *Health Affairs*. Ten clinical prob-

lems, including sinusitis and immunizations, encompass 90% of all retail clinic visits, the first study found. These same ten clinical problems make up 13% of adult primary care physician visits, 30% of pediatric primary care visits, and 12% of emergency department visits. Although 81% of adults and children nationwide report having a primary care physician, fewer than 40% of the patients surveyed as part of the study reported having one. The second study compared costs over 4 years at the Minnesota locations of MinuteClinics, retail clinics owned by CVS Pharmacy, to those at a physician's office. It found that getting treated at a MinuteClinic costs an average of \$104, \$55 less than treatment at a physician's office. However, the study said, retail clinic visits accounted for only 6% of all provider visits, and costs rose substantially at all locations over the course of the study.

### CMS Alters Overpayment Policy

CMS officials are changing the procedures for recovering certain overpayments made to physicians. The CMS will no longer seek payment from a physician for an overpayment while the physician is seeking a reconsideration of the overpayment determination by a qualified independent contractor. Under the new policy, which was mandated by the 2003 Medicare Modernization Act, the CMS can seek to recoup the payment only after a decision has been made on the reconsideration. The changes, which went into effect Sept. 29, will apply to all Part A and Part B claims for which a demand letter has been issued. However, a number of claims have been excluded, including Part A cost reports, hospice caps calculations, provider initiated adjustments, home health agency requests for anticipated payment, accelerated/advanced payments, and certain other claims adjustments.

### Immigrants Must Get HPV Vaccine

Young women seeking to immigrate to the United States currently are required to be vaccinated against the human papillomavirus, under an amendment to the Immigration and Nationality Act. Under the 1996 amendment, individuals seeking immigrant visas must provide proof of vaccination for all vaccines recommended by the U.S. Advisory Committee for Immunization Practices. This list, which is updated periodically, now includes HPV vaccination for females aged 11-12 years, with catch-up vaccination among those aged 13-26 years. The addition of the HPV vaccine to the list of required vaccines for immigrants was automatic and required by statute, according to Centers for Disease Control and Prevention spokesman Curtis Allen, and was not part of ACIP deliberations when the committee originally recommended use of the HPV vaccine. According to a spokeswoman for Merck, the company was not aware of the immigration policy and did not lobby for that provision.

—Jane Anderson