Analysts Predict Surge in Limited Insurance Policies

BY JOYCE FRIEDEN

Associate Editor, Practice Trends

WASHINGTON — Expect more health plans to offer limited insurance policies for people who are currently uninsured, Robert Laszewski said at a press briefing sponsored by the Center for Studying Health System Change.

"Insurers are recognizing that the 45 million people who are uninsured are a market," said Mr. Laszewski, founder and president of Health Policy and Strategy Associates, a consulting firm. "Now, they're not a market for comprehensive major medical insurance, but they are a market for very limited benefits programs, programs that cost perhaps $50-$100 per month."

He added that such plans—which typically include a wellness checkup every other year, a few visits to a primary care physician, and a drug benefit based on generic drugs—have come under criticism for not doing enough to help the uninsured. "I think that's a false set of arguments," he said. "Of course they're not going to solve the problems of the uninsured, but [they] do respond to the needs of people who cannot afford health insurance."

Most speakers at the conference also were upbeat about the future of consumer-driven health plans, such as health savings accounts (HSAs), although Christine Arnold, an executive director specializing in managed care at New York brokerage firm Morgan Stanley, noted that such plans are still a very small part of employers' health insurance offerings.

"Less than 5% of any HMO's total book of business is right now in any form of consumer-directed health care," she said. "We may be on the cusp of a product revolution, which I've been hoping for, but I don't think it's here yet."

Mr. Laszewski added that although consumer-driven health care "is a wonderful thing," it focuses on first-dollar benefits rather than on the real problem in health care spending: that 75% of the costs are incurred by the 15% of people who are very ill. "It's the sick people who blow through the deductibles and get to the out-of-pocket maximums," he said. "Sick people are the ones who control costs. Consumer-driven health care is a wonderful thing, but when the day is done, the incentives haven't fundamentally changed. In about another year or two, we're going to get this out of our system."

Efforts to measure physician quality also came in for much discussion. "While I think 'sabotage' is a strong word, I would say there has been resistance by the health plans because each of them is trying to use this initiative as a competitive advantage," said Ms. Arnold. "The tug of war is that employers want this on a macro basis—they want a Consumer Reports for providers."

Two new initiatives could help consumers and employers compare health care quality, Ms. Arnold said. One is the Ambulatory Care Quality Alliance, a project of the American Academy of Family Physicians, the American College of Physicians, America's Health Insurance Plans, and the Agency for Healthcare Research and Quality. "They are trying to put together an objective list of measures. How do we measure who is a good provider? As we think about ways to assess quality, I think we need a standard."

The second initiative involves a group of employers and consultants who are exploring "care-focused purchasing—that is, getting health plans to aggregate their provider data so that employers and consumers can see which are the highest quality providers. "Any one health plan can't give you a full picture of [a physician]," she said. "This is an effort by employers to get together to pull providers and health plans in."

Frederic Martucci, a managing director specializing in not-for-profit companies at Fitch Ratings, a New York credit-rating firm, said that Medicare's efforts to measure provider quality are likely to have a big impact on the health care market. "The biggest insurance company in the world is Medicare, and Medicare is into quality," he said. ■

Loss of Health Insurance Leaves Children at Risk

For parents, losing employer-based health insurance means their children could be uninsured for long periods of time, the American Academy of Pediatrics reported.

Among an estimated 3 million children whose parents lose employer-based insurance annually, 75% subsequently become uninsured, and almost a million remain uninsured for a year or longer.

Theoretically, families have options when this happens, such as COBRA, individually purchased private insurance, or enrollment in Medicaid or the State Children's Health Insurance Program (SCHIP).

"But the reality is that COBRA and private coverage are mostly unaffordable to low- and moderate-income families," and parents may not know about Medicaid and SCHIP or face enrollment barriers, such as cumbersome applications and waiting periods, according to the AAP.

Among those children who become uninsured, only one in eight will enroll in public programs, whereas 1 in 30 will obtain nonemployer-based private coverage. The results were based on more than 18,000 records of children obtained from Medical Expenditure Panel Survey data, from 1996 to 2001.

—Jennifer Silverman

POLICY & PRACTICE

Elderly Lack Preventive Care

Many elderly Medicare patients fail to get routine preventive care, according to a study by researchers at the Center for Studying Health System Change (HSC) and Memorial Sloan-Kettering Cancer Center. In analyzing six preventive services covered by Medicare (routine blood tests and eye examinations for diabetes patients; colon and breast cancer screening; and influenza and pneumococcal vaccinations), researchers found that half of eligible Medicare beneficiaries or fewer received the recommended care in 2001. Specifically, 48% and 56% of beneficiaries with diabetes received eye examinations and hemoglobin A_{1c} tests, respectively; 47% of women aged 65-75 years received mammograms; and 47% of all beneficiaries received flu shots. Medicare patients cared for by board-certified physicians in larger practices treating fewer poor patients were the most likely to receive cancer screenings and other preventive care. The study appeared in the July 27 Journal of the American Medical Association.

Clinician's Guide to Alcoholism

Physicians have a new tool to help them identify and care for patients with heavy drinking and alcohol use disorders, About 3 in 10 U.S. adults drink at levels that increase their risk for physical, mental health, and social problems. Of these heavy drinkers, about one in four currently has alcohol dependence problems that often go undetected in medical and mental health care settings. The National Institute on Alcohol Abuse and Alcoholism (NIAAA) recently released a new guide called "Helping Patients Who Drink Too Much: A Clinician's Guide," which offers guidance for conducting brief interventions and managing patient care. If a patient drinks heavily (five or more drinks in a day for men or four or more for women), the guide shows physicians how to look for symptoms of alcohol abuse or dependence. The guide is available at www.niaaa.nih.gov.

Influence of Free Drug Samples

Readily accessible, free drug samples can influence the prescribing behavior of residents, according to a study from the University of Minnesota and Abbott Northwestern Hospital. Researchers observed 29 internal medicine residents over a 6-month period in an inner-city primary care clinic. After selecting drug classes where samples of heavily advertised drugs were provided to the clinic, and where lower-priced alternative formulations existed, the authors looked for prescribing differences between physicians who had access to free samples and those who had been randomized to a group that agreed not to use samples. "We found that resident physicians with access to drug samples in clinic were more likely to write new prescriptions for heavily advertised drugs and less likely to recommend over-the-counter drugs than their peers," said lead author Richard F. Adair, M.D. There was also a trend toward less use of inexpensive drugs. The study was published in the August issue of The American Journal of Medicine.

The OxyContin Wars

The federal Drug Enforcement Administration's efforts to stop illegal use of the prescription painkiller OxyContin have "cast a chill over the doctor-patient candor necessary for successful treatment," Ronald T. Libby, Ph.D., a political science professor at the University of North Florida in Jacksonville, wrote in a policy analysis for the Cato Institute, a libertarian think tank. The DEA's campaign includes elevating OxyContin to the status of other schedule II substances and using "aggressive undercover investigation, asset forfeiture, and informers," he noted. When asked to comment, a DEA spokeswoman referred to a recent statement by DEA Administrator Karen Tandy. "We employ a balanced approach that recognizes both the unquestioned need for responsible pain medication, and the possibility of criminal drug trafficking," Ms. Tandy said, noting that physicians "are an extremely small part of the problem."

Osteopathic Medical Concepts

Osteopathic terminology for the first time has been added to the latest version of the College of American Pathologists' Systematized Nomenclature of Medicine (SNOMED) clinical terms. The latest release incorporates more than 230 osteopathic medical concepts including procedures, diagnoses, and even subtle anatomic aberrations well known to osteopathic physicians. "The availability of the osteopathic medical content in SNOMED clinical terms represents an additional opportunity to make unique terminology available to national and international clinical and research audiences," said Franklin R. Elevitch, M.D., chair of SNOMED International Authority. The American Osteopathic Association collaborated with SNOMED on the project to include the terminology.

Call to Action on Disability

The U.S. Surgeon General has issued his first-ever Call to Action on Disability. The report outlines goals for improving the lives of individuals with disabilities. Goals include increasing knowledge among health care professionals; providing them with tools to screen, diagnose, and treat the whole person with a disability with dignity; and increasing accessible health care and support services to promote independence for people with disabilities. "The reality is that for too long we provided lesser care to people with disabilities," Surgeon General Richard H. Carmona said in a statement. "Today, we must redouble our efforts so that people with disabilities achieve full access to disease prevention and health promotion services." The document is available at www.surgeongeneral.gov.

—Jennifer Silverman