

Insurance Times: In NH, a call for more consumer action in health system
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by Penny Williams

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MANCHESTER, N.H. — Educating consumers and getting them more involved in local health care decision making should be part of the prescription for curing the state's ailing system, according to experts at a recent symposium.

Ned Helms, director of the New Hampshire Institute for Health Policy and Practice, was among the speakers who stressed the role of consumers at the forum sponsored by BusinessNH.

"Understand that the people to solve the health care problem are not the providers, not the payers, not the people whose full time job it is to take care of health — it is our collective responsibility," Helms said.

He maintained that "solutions to local problems depend on the ability of local leadership to identify accurately and respond effectively to local problems."

Helms noted that off the \$1.2 trillion spent on health care, 80 percent is spent on access to care, which affects about 10 percent of one's health status. Only four percent is spent on health behaviors, which affects 50 percent of one's health status.

"We as consumers have (of health care services) have certain expectations," Helms said. "We want what we want when we want it and we want it close by."

However, having duplicative high medical tech equipment in many local communities has not increased American life expectancy when compared to other countries, Helms said.

New Hampshire health care costs (based on Cigna and Anthem figures) have risen on a per person/per month basis on average from \$134.50 in 1997 to \$224.00 in 2002.

Panel member John Andrews, executive director of the New Hampshire Municipal Association and fund administrator for the association's insurance trusts, called for employer coalitions. He suggested that access to medical outcomes data and insurer claims data were key to developing valid measures of quality.

"Reconnecting people to the price of health care is critical," he said. The typical \$10 co-pay inures consumers, but he warned, "there is no silver bullet."

Another expert agreed that better information is needed to help all involved make better decisions.

Harvard Pilgrim Healthcare of New England President and CEO Charles Baker castigated the current health care system, calling it "the most disjointed, fragmented, dysfunctional administrative system known to man."

He added that the time spent on administrative processes has a profound impact on the quality of information

Use of Data

Baker claimed that the use of data will play a major role in insurance because one percent of the an HMO's members account for 30 percent of its cost. This high-cost population must be targeted in a more effective manner, he argued.

Richard Salmon, MD, CIGNA HealthCare of New Hampshire, also touted engaging consumers to improve the quality of care.

Salmon advocates hooking up nurses with patients who have chronic conditions and the use of predictive models to identify people at risk.

"Improved quality of care lowers cost," he said.

But, he added, it is necessary to engage consumers in decisions over the best quality for the money spent.

Ed McGee, founder and president of the New Hampshire Independent Pharmacy Association, identified the increased use of prescription drugs as a cost driver. But, he added, new drugs are also more effective, which improves medical care.

"The cost of prescription drugs is escalating out of control and needs to be corralled," he said. He recommended regulation of the industry, the end of "freebies" to doctors and more use of generics.

New Hampshire Insurance Commissioner Paula Rogers said changing market rules would only change the distribution of cost. Any market adjustment must be fully supported by data to ensure there are no unintended or adverse consequences.

"Every time you're proposing a change of a market rule," she said, "as regulators and policy makers and legislators, there has to be a meaningful data based discussion of what the implications are."

President and CEO of Concord Hospital, Michael Green, told the audience the question isn't whether costs will continue to go up but rather by how much. The condition of the overall economy plays a role, he said. Hospitals and insurers had better returns on investment when the economy was good.

Concord Hospital is addressing coverage issues by offering its employees levels of coverage and co-payments to choose from.

"We must engage employees in the process of selection and utilization decisions," he said.

Anthem Blue Cross Blue Shield New Hampshire' Vice President and General Manager Gray Somers criticized all players for continuing to do the same things over and over, and getting the same results. He called a 15 percent per year increase in cost "not sustainable."

Somers seconded those who called for more education to empower people to understand the actual cost of a doctor's visit, to understand that consumers drive health care shift costs. He also emphasized the need to improve life style habits and behavior that affect health status.

"We need to enlighten people," he said.