

Health care: What if we treat people like cars?

Kirsten Stewart - The Salt Lake Tribune

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What if health insurance operated more like auto insurance? That's what a group of health underwriters would like the Legislature to contemplate as it weighs proposals for reducing Utah's growing ranks of uninsured.

Their solution deals with the issue indirectly, by targeting what they see as the root of soaring health care costs: the practice of billing insurance companies by procedure.

That creates a "perverse incentive for providers to bill as many procedures as possible," said Brad Kuhnhausen, a consultant to the Utah Association of Health Underwriters.

It also hurts patient care, as people shirk follow-up visits and routine checkups to avoid being nicked and dined with co-payments, he said.

But imagine, said Kuhnhausen, filing a claim for a knee surgery like you would a crumpled car. You would get a credit from your insurer, then shop around for a team of providers - a surgeon, anesthesiologist and nursing staff - who agree to charge a lump sum.

The flat rate might include 90 days of follow up; a warranty, of sorts, against complications. Any leftover credits could be banked for future medical needs.

To help patients pick a provider, the state would create a Utah Health Insurance Matrix, a database of pricing and patient outcomes.

A package deal

This model might not fit emergency medicine, but would work for chronic care, Kuhnhausen said.

A severe diabetic might, for example, be awarded \$5,000 to cover a year of treatments, including quarterly blood testing, two checkups, medications, four acute visits for other health complications, enrollment in a support group and a nutritional counselor, which few plans currently fund.

If the patient improves, needing only \$3,000 the following year, the insurer could financially reward the patient and doctor, said Kuhnhausen.

Now, the system rewards doctors for ordering tests and procedures, he said, citing studies showing 40 percent have zero impact on patients' health.

Research also shows half of American patients never get the most basic recommended treatments, like aspirin after a heart attack.

To avoid these medical errors, insurance companies collect outcome data and use it to set standards for the delivery of care.

"But they keep it secret," said Kuhnhausen. An independent database "would free researchers to look at 100 percent of the data."

Trying ProvenCare

Hospital systems in other states have undertaken similar experiments with positive results.

Geisinger Health System in Pennsylvania switched to flat-rate billing for elective bypass surgeries in 2006. Patients are guaranteed treatment under a 40-step protocol developed from decades of research.

Geisinger only uses this "ProvenCare" approach with patients covered by its own insurance unit, but hopes to attract other insurers, said the hospital's spokeswoman, Patti Urosevich.

She said ProvenCare patients are less likely to return to intensive care, spend fewer days in the hospital, and are more likely to go directly home instead of to a nursing home.

Utah supporters are still looking for a lawmaker to push the idea, which has captured the interest of insurance companies, a powerful ally in the reform debate.

"It's an innovative way to bring the market to bear on prices and quality," said Kelly Atkinson, executive director of the Utah Health Insurance Association.

Fractured care?

But others oppose the strategy, and providers are likely to resist being told how to practice medicine. Forcing patients to sign contracts limiting treatment for any one condition benefits insurers, not patients, especially the elderly, disabled and chronically ill, said Judi Hilman, executive director at the **Utah Health Policy Project**.

The approach "will leave patients on the street begging for treatment of one painful condition at a time," said Hilman. "Today it's a round of chemotherapy for one side of the body only; tomorrow it's a physical therapy visit, but not involving the knee joint."

Even small free-standing surgical centers, which may thrive with flat-rate billing because they can offer care more efficiently and cheaply than hospitals, are wary.

It's hard to imagine patients hunting for doctors like they do mechanics, said Brian Berg, administrator of MountainWest Surgical Center in Bountiful.

Success hinges in part on the database, he said. "Who is going to run it and how will you know the data is any good?"

While its details are still being worked out, the database could be a powerful force for change, Kuhnhausen said. "The cost of health insurance is simply a symptom," said Utah health underwriter Ryan McDermott. "The problem is that society has a difficult time knowing what a fair price for surgical procedures and tests should be."

How "auto insurance" health care would work:

- * The claim: A patient would submit a claim for a needed surgery; the insurer would provide a lump-sum credit.
- * The purchase: The patient would look for health care providers who accept a flat rate.
- * Shopping tips: To help patients, a database would be created with timely, accurate data on pricing and patient outcomes.
- * The warranty: For example, the rate could include 90 days of follow-up care.