

CBS EVENING NEWS WITH DAN RATHER



COMPANY CUTS HMO RED TAPE

Philadelphia, Jan. 2, 2004



Wyatt Andrews reports on the frustrations that a Pennsylvania family faced trying to get their son a replacement hearing device.

Andrews: "This thing broke down 10 times?"

McLenigan: "10 different times we had to make a trip. If he doesn't have that implant he can't hear anything."

Andrews: "When she asked her insurance company, Aetna, for a new device it said no, ruling the implant could still be repaired. 10 breakdowns or not."



Jean McLenigan

Employers pay Health Advocate a fee to cut through the red tape of managed care and appeal denials.

Health Advocate employee Ed Hampson convinced Aetna a new device for Jimmy was in fact covered by the policy.

Hampson: "He met enough of the criteria to definitely get a new one."

Andrews: "One of the reasons this company is able to jump the hurdles of health care is that the founders of Health Advocate not only came from the managed care business---they helped invent managed care."

(CBS) Millions of Americans who use HMOs will find the New Year brings more out-of-pocket expenses, and more trouble getting HMOs to cover medical services.

CBS' Andrews: "For Jean McLenigan, it was infuriating. Her son Jimmy, who uses a medical implant to assist his hearing--needed a new one because his kept breaking. And not just once or twice."

McLenigan told CBS News Correspondent Wyatt Andrews her son's hearing aid broke more than ten times, prompting trips to the doctor each time.

McLenigan: "Typical, bureaucratic, here's our policy, and we are sticking to it."

She decided to seek outside help for her son and contacted a company called Health Advocate, one of a handful of cutting edge businesses trying to solve health care hassles.

"Remember when managed care meant gag orders on what doctors could tell you---and endless second-guessing of doctors?"

Andrews interviewed Dr. Abbie Liebowitz, who is now the co-owner of Health Advocate, for some inside perspective on the health care system:

Andrews: "You were medical director at Aetna?"

Liebowitz: "I was the chief medical officer."

Andrews: "The co-owner of Health Advocate, Dr. Abbie Liebowitz was at the creation."

"Were you one of the guys enforcing the gag rule? That existed on your watch didn't it?"

Liebowitz: "It absolutely did."

Andrews: "Are you--on any level--navigating a mess you helped build?"

Liebowitz: "Yes. And part of our experience makes us the best qualified group to do that. For better or worse, we helped build it."

Andrews: "Who better?"

Liebowitz: "Who better."

Andrews: "So now his new company works the other side, on the side of dozens of companies and tens of thousands of workers, sorting through rules he used to make."

Andrews: "Now that you sit here what would you do differently?"



Wyatt Andrews, CBS News Anchor and Abbie Liebowitz, MD, co-owner of Health Advocate (Photo: CBS)

Liebowitz: "I would have trusted physicians more -- to do the right thing for patients."

Andrews: "The right thing for the McLenigans came with mixed feelings--gratitude that Health Advocate won Jimmy his new equipment--but frustration at a system so muddled they needed Health Advocate at all."

Andrews: "You can hear more clearly?"

Jimmy McLenigan: "Yeah."

Andrews: "In Philadelphia, Wyatt Andrews, CBS News."