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Health insurers brace for big changes with health care reform

By Jonathan D. Epstein

As health insurers prepare for federal reforms that will likely be the biggest reshaping of the industry in decades, Western New York's three carriers have already taken steps to change, individually and collectively.

In an effort to bring down healthcare costs, the carriers are pushing for better medical care and health prevention, through innovations such as on-site health coaches at employers, "patient-centered medical homes" at doctors' offices, and wellness programs, as well as increased use of technology.

The theory is that improved and more efficient care upfront will "bend the cost curve" by eliminating expensive and unnecessary services.

"If all we do is increase access to care without doing anything to improve the quality and manage the cost trends, we're still on a very difficult and unsustainable path," said Dr. Michael Cropp, CEO of Independent Health Association.

Insurers say they are also trying to work more closely and cooperatively with medical providers, in a partnership to help patients instead of a conflict rooted in antagonism. That includes paying them for quality, not quantity, and making primary care medicine more attractive.

"We have to reward physicians, hospitals and others for the quality of work that they do, and the results that they achieve for patients," Cropp said. "There are going to be rewards for those who have found ways to provide excellence."

And they're investing in better technology and analysis to spot healthcare trends and concerns sooner, and confront them.

But perhaps most significantly, the fierce competitors are collaborating with each other in technology and health quality initiatives that benefit the entire community, such as HealtheNet and HealtheLink.

"It's vital for local hospitals, doctors, health insurers, employers, and other health care stakeholders to work together in collaboration to improve health care quality and reduce unnecessary costs wherever possible," said Pamela J. Pawenski, regional vice president of sales for Univera Healthcare.

"Some of the quality improvement things we do end up benefiting the whole community, which is the way it's got to work," said Alphonso O'Neill-White, CEO of HealthNow New York and BlueCross BlueShield of Western New York. "If you're really going to focus on quality, you can't worry about the competitive environment. You've got to do what is right."

The renewed efforts come at a critical juncture for insurers. The usual attempts to lower costs for employers

by trimming benefits and raising copays or deductibles aren't proving enough anymore, forcing carriers to look at other options.

At the same time, they know major systemic changes are coming. Like the rest of the industry, Western New York's insurers are closely watching the healthcare reform debate in Washington with uncertainty and trepidation. Executives support some proposals, but are deeply worried about others, and about the overall reforms, which Cropp called "daunting."

In the meantime, insurers say the debate itself has already prompted changes in thinking and attitude among doctors and patients, engaging them more in questioning how much and what kind of care is needed, and how they can do their part to contain their own costs.

Making that argument in the past has been a challenge for health insurance executives, as their much-maligned industry is often criticized for being more concerned about their financial health than about members' physical health.

Now, they're finding allies in doctors, whose voices carry more weight with patients as they talk about being responsible, eating right, exercising and taking care of themselves.

"When you're getting the best care, it's not necessarily the most expensive care. But when you're trying to do that and you're the health insurer, it falls on deaf ears or angry ears," said Dr. Cynthia Ambres, chief medical officer of HealthNow.

Besides disease management or quit-smoking programs, insurers have been creating their own health promotion programs to encourage consumers to take their wellness and well-being into their own hands by engaging in fitness and other good preventive activities.

Independent Health and Univera a few years ago began offering such "lifestyle" programs as Active Univera and IHA's FlexFit — giving cash rewards for gym memberships, swim programs and massage therapy.

For HealthNow, the focus on individual behavior is new. HealthNow is piloting its Good For You program this month, putting a health coach on location at eight employer clients — six in Western New York and two in northeastern New York. It also offers a "concierge" service called Health Advocate to help members with an array of clinical and insurance issues.

The insurer is also dipping its toes into online social media, with a Facebook page, "tweets" on Twitter, and video interviews with doctors posted on YouTube and its own Web site.

Independent Health, meanwhile, is promoting the concept of a "patient-centered medical home," working with 140 primary care physicians at about two dozen sites in the past year to "radically redesign how they deliver care," said Dr. Thomas Foels, chief medical officer.

That means looking at a patient's overall picture and what the patient needs, putting the patient at the center, and responding whenever and however necessary. Instead of a fee-for-service structure based on patients seeing the doctor on the doctor's schedule, the new design calls for delegating more work to physicians' assistants or nurses, and delivering care by phone or electronically.

Univera has launched a series of community health programs to promote physical activity and healthy eating among children and adults, push more use of generic drugs, encourage health-care proxies and end-of-

life planning, and reduce the rate of hospital infections.

Finally, all three insurers are trying to root out waste and inefficiency in the system. Cropp cited estimates that between 30 percent and 50 percent of all healthcare services that are provided don't benefit the patient. Meanwhile, in about half of cases, people with chronic conditions aren't getting treatments that are proven to work.

But what's most innovative are the collaborative efforts among the insurers, and the community-wide initiatives they've launched together, such as programs to develop community guidelines for treating back pain and prostate cancer.

Most notably, the three insurers have been partners with the four major hospital systems for more than a decade in a technology consortium called HealtheNet, and now in HealtheLink. The two electronic ventures are designed to create an "information superhighway" linking payers and providers and moving patient health information within the community.

It's also a result of the "unique environment" in Western New York, where all three insurers are locally based, nonprofit companies, and where the CEOs serve together on local organizations' boards of directors, commissions and community groups.

Through HealtheNet, doctors and hospitals can electronically confirm a patient's coverage and eligibility for treatment. Currently, 85 percent of medical practices, clinics and hospitals use it regularly.

And now with HealtheLink, a clinical information exchange launched in 2008, they can access patient medical records or prescriptions electronically to ensure a patient gets the right care when being treated in an emergency room or by a specialist. That's expected to save time and money, while preventing errors and saving lives.

So far, 200 providers and 900 total users at 60 offices throughout the eight-county area are registered to use the system, including the big hospitals and emergency rooms.

"We make relevant information about the patient available to the provider at that very important time so they can take care of them," said HealtheLink executive director Daniel E. Porreca.

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