

PREPAID HEALTH AND MEDICAL CARE PROBLEMS

THE CONSUMER AND PREPAID MEDICAL CARE PLANS

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President Kennedy recently said that when defining the word "consumer" "it includes us all". In the context of the discussion this morning the definition of "the consumer" is expanded to include each person in need of preventive medical services who is a potential or actual patient of a physician and does or may require hospital services, rehabilitation, convalescent care, nursing home care and any other available medical and para-medical services one may need in the course of a lifetime.

The responsibility of obtaining the best and all the necessary medical services may be placed respectively or in any combination on the individual, the family provider, the employer, the union officer, the trustee of consumer cooperatives, and administrator, whoever is entrusted with this important task. Consumers are confronted with the problems of evaluating health insurance plans when either selecting a prepaid medical care program to meet their needs or when seeking to improve their present medical insurance plan coverage.

The problems of any situation depend on the goal to be achieved. Who can deny that the goal for every individual should be all the modern scientific medical care available when and as necessary without any deterrents because of age, sex, creed, color, state of finances and whether employed, unemployed, retired or disabled. Nothing less should be expected by any person in this nation for oneself and for all others. The activities of Organized Labor and consumer groups in attempting to achieve this goal has not only been of benefit to their members but also to the nation as a whole. Each individual and organized group therefore should strive for this goal; anything less is inadequate.

THE PROBLEMS

Some of the problems which must be considered in order to obtain the broadest and best medical care program are:

1. What types of medical and hospital insurance plans are available in the area?
2. How many dollars are available for premiums?
3. How many people in the group will be eligible for enrollment?
4. Will the enrollment be on an individual or group basis?

5. Are dependents as well as the workers covered? Prebudgeting for the total family medical care assures the availability of preventive and other required medical services and causes fewer financial burdens arising from unpredictable medical needs by spreading the cost.
6. Will the benefits be in the form of completely paid services both in the hospital and for physicians or will there be partial indemnification with unpredictable balances to be paid by the insured?
7. Is the medical care comprehensive or limited?
8. What limitations, exclusions, deterrent charges, deductibles deprive the insured of comprehensive medical care when needed?
9. Do the medical benefits include preventive, diagnostic, therapeutic and rehabilitative services or are they fragmented with the accent on in-hospital care or diagnostic services only?
10. Does the plan provide physician services in the hospital, the home and in the doctors' offices or are they limited to services in the hospital only?
11. Do the benefits include prescribed drugs, psychiatric treatment, dental care?
12. Are the physician services provided by medical group practice teams of general physicians and specialists selected in accordance with professional standards, organized to provide modern, efficient, highly-integrated medical care of high quality in a medical center or are the services provided by solo practitioners unsupervised as to quantity as well as quality of their services and whose professional activities usually are not subject to review, criticism or guidance by their peers?
13. Is there an administrator and/or social medical service counsellor with whom the beneficiaries may discuss problems affecting their health and welfare?
14. Is there a subscribers' health education program which will encourage and assist beneficiaries to make proper use of the medical program and to better understand and cope with their medical problems?
15. What voice does the beneficiary have regarding choice of plan so that the best program can be purchased, and if the "best" is not available will it be possible to develop a program for the group or join with others to develop a community sponsored plan?

interest loans for the development of group practice
clinics and non-profit nursing homes;

scholarships and grants for students in the medical and
related scientific fields;

provide medical and hospital care for all retirees under
Social Security benefits. This goes well beyond the
proposals of the King-Anderson bill.

Expansion of the environmental health bureau of the USPHS,
passage of strong measures against water and air
pollution, radiation hazards and the establishment of
research facilities in this discipline to better protect
the public; and

Support the Kefauver-Celler bill or its equivalent on the
control of drug patents, efficacy of drugs, etc.

Recommend state legislation:

Phase out in those 25 states where it exists, restrictive
legislation preventing the establishment of consumer-sponsored
health care plans and to have legislative representatives
oppose to any attempt of passage of such legislation where
they do not exist.

Improve the standards for determination of medical
necessity so that the implementation under the Kerr-Mills
program will be less restrictive and not demeaning of dignity.

Debate in schools regarding the need for more and better
health care not only as a personal matter but as a community

concern to the public in:

various methods of providing medical services,

methods of payment for service,

fragmented and fragmented versus comprehensive services,

access versus limited indemnity benefits,

group practice versus solo practice,

community supervision of medical care in-and out-of-hospitals
versus lack of supervision, and

methods of developing a community-action committee for the
establishment of a non-profit community-sponsored medical
hospital care plan.

The Group Health Association of American stands ready to assist in this whole area.

5. Consumer groups and labor groups having a common interest in this multi-faceted field should articulate their endeavors and resources and jointly create programs that will be of greater benefit to both.
6. The Community Health Services and Facilities Act should be studied to determine how the fullest and best use can be made of the funds provided to establish out-of-hospital medical care programs, where none exists at present, particularly for those with chronic illnesses.
7. Consumers and Labor should demand that each hospital in their community should maintain the standards necessary to be accredited by the Joint Commission on Accreditation of Hospitals.
8. Consumers and Labor should join in application of pressure on any hospital and/or medical society that discriminates against the staff appointment or acceptance to membership of qualified physicians merely because they are engaged in a legally authorized group practice of medicine. If necessary, anti-trust actions should be urged and supported.
9. There is need for a thorough study of the field of surgical and orthopedic appliances. This is an area that is most difficult to evaluate both in terms of quality of merchandise and prices charged. Working together, Labor and consumer organizations could and should establish non-profit cooperative facilities to provide appliances of good quality at the lowest possible prices.

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Labor and consumer-sponsored organizations have been in the forefront of practically all meaningful medical care programming in the last two decades. They probably will continue to be far in the forefront of this movement. The problems are many but there is a vast amount of information and considerable experience available to assist those interested and responsible to evaluate the problems and various possible solutions. There is need for additional broader and deeper well-controlled experiments and demonstrations in this area of human need. The overall trend is and will continue to be in accordance with consumer needs and demands. The course of action is clear. Consumers of medical services and "it includes us all" have everything to gain by sustaining a firm demand for the best medical care plans.

to keep the price they pay for insurance low and the health establishment felt it needed additional financing, the underrepresented subscriber might suffer.

This is not to imply that the board members of prepayment plans do not attempt to protect the public, but rather that each person's viewpoint concerning the public interest results from his particular vantage point in society. Thus the hospital administrator, seeking to secure a sound financial base for voluntary hospitals, and management and union officials, voting for low group rates, are both acting in terms of their conception of the public interest. It would be unrealistic and probably harmful to attempt to eliminate representatives of specific interest groups from the boards of directors of nonprofit plans. They insure the discussion of various sides of an issue, and that the impact of given decisions upon the various segments of the population and health establishment will be considered. A professionally-oriented board, for example, might unwittingly infringe upon deep-rooted values or discriminate against a given population segment in attempting to finance an adequate system of medical care, while a consumer-oriented board might accept an easy and cheap solution to the problem of financing care, over-looking technical limitations inherent in their solutions. An effective system of prepaid medical care operating in the public interest is, therefore, dependent upon the intelligent cooperation of all interested parties and the effective presentation of divergent viewpoints. To the extent that major population groups lack adequate representation on the policy-making bodies of non-profit plans, this condition will not be attainable.

This paper is not meant to be a criticism of nonprofit plans. Their growth is indicative of their value. My purpose has been to draw attention to an imperfection in the representativeness of the policy-making bodies of nonprofit plans--an imperfection which could lead to abuses. It is in the consumers' interest that a program be developed for dealing with this problem.

The following are some suggestions which may be of use in such a program:

1. A study should be undertaken to examine the structure of nonprofit plans, with particular emphasis on their relationship to the community and the composition and structure of their boards of directors. Emphasis should be given to developing procedures for effectively increasing the groups represented on the boards of directors.
2. Consumer groups should campaign to have more consumer representatives on these boards. Such representatives should be carefully chosen, perhaps by the membership of selected consumer organizations. To be effective, these representatives should have access to specialists who would aid them in their work.

3. Consumer organizations should undertake campaigns to educate their members and the general public about prepaid insurance. Through their own magazines and through other mass media, they should acquaint the consumer with the technicalities of prepaid care, i.e., dollar benefit ratios, service vs. cash benefits, experience rating, etc. It is only when the consumer is informed, that he can act realistically in his own self-interest and intelligently influence policy.