

## The Paradox of Managed Care

Americans dislike managed care, often believing that it means poor care. However, managed care is not the problem. The problem is quality. The task for consumers is to distinguish good from bad managed care.

Trudy Lieberman, Consumer Reports<sup>1</sup>

### Why we hate managed care

Managed care has emerged as a favorite target of both the public and news organizations with HMO horror stories often becoming juicy topics for the media, especially television. Why? It is largely because managed care has challenged what we have come to expect as good medicine; that is, lots and lots of services, whether or not they are appropriate. In the public mind, fewer services are equated with poor quality although that is not necessarily the case.

Americans like high levels of technology. MRIs are a good example. Manufacturers stimulated demand for this diagnostic tool, and the public quickly embraced it. MRIs are now used for everything from evaluating sports injuries to detecting serious illness, and in some parts of the country, MRIs are practically on every street corner. People walk in for evaluation, sometimes when the use of the machine may not be warranted. I once interviewed an executive at PacifiCare who gave me one of the best quotes I've ever gotten: "In America," he said, "the medicine man sits at the right hand of God." Indeed we want nothing to come between us and our doctors and the doctor's right to intervene medically however he or she pleases.

Employers flocked to managed care to help rein in health-care costs which were rising in the double digits in the late 1980s and early 1990s. For a time, managed care seemed to be lowering employers' health-care expenses, but how well managed care has continued to hold down costs is debatable. There are signs that costs are again rising--premiums are going up and more costly technology is coming on the market. In the meantime, as managed care firms continue to control the use of medical services, the public will continue to believe they are getting poor quality care when services are scaled back.

### Good and Bad Managed Care

The problem is not managed care. It is poor quality medical care that cuts across all delivery systems. Last fall the Institute of Medicine concluded that there are no exemplary models of health plans or providers who deliver care that is uniformly and consistently of the highest quality. Quality problems encompass underuse, which we hear so much about in managed care; misuse of medical services like prescribing antibiotics for colds for which they are ineffective; and overuse, performing an unnecessary procedure that exposes a person to needless risk. Nevertheless, we expect more from managed care when it comes to quality improvement because managed care organizations deal with defined populations which are theoretically easier to monitor.

However, in 1998 when Consumer Reports looked at quality of care in HMOs serving Medicare beneficiaries, we found that they came up short. Some of them did a pretty good job of detecting underuse--too few of their members receiving mammograms, for example. But when it came to overuse and misuse, few HMOs had systems in place to detect problems in those areas let alone programs to correct the problems and improve quality. Consumer Reports found that few managed care organizations had criteria to evaluate whether women were appropriate candidates for hysterectomy. Only half said they had procedures in place to protect members from preventable adverse drug reactions. While some of the plans had computer systems intended to prevent patients from receiving prescriptions that could harm them, none indicated they had evaluated the effectiveness of those programs.

## Finding Good Managed Care

How does one separate good managed care from bad? How do you pick a good plan? The movement to commodify health care that is sweeping the country assumes that health care can be chosen like a car or a computer, and report cards issued by states, health plans, and employers are becoming commonplace. Unfortunately it is not that easy. One cannot find the best health plan whose doctors always make timely and correct diagnoses, choose effective treatments, and avoid mistakes. There are no good comparisons of health plans on measures like those, and there probably won't be for a long time. The Hedis indicators now reported by many health plans measure only underuse, such as the proportion of women receiving mammograms or the proportion of heart attack patients who receive beta blockers. They don't touch on overuse or misuse of services that are just as important.

The consumer agenda for managed care should be to educate Americans about the pervasive problems with medical quality; to develop better and more meaningful ways for consumers to make decisions; for example, to move beyond some of the inane and useless "tips" that masquerade as real consumer information; and to make report cards more salient and useful. If report cards were truly imparting good information, the managed care industry would be thinking of ways to make sure the information didn't get out. So far, they are not doing that.

### Endnote

<sup>1</sup> Health Policy Editor