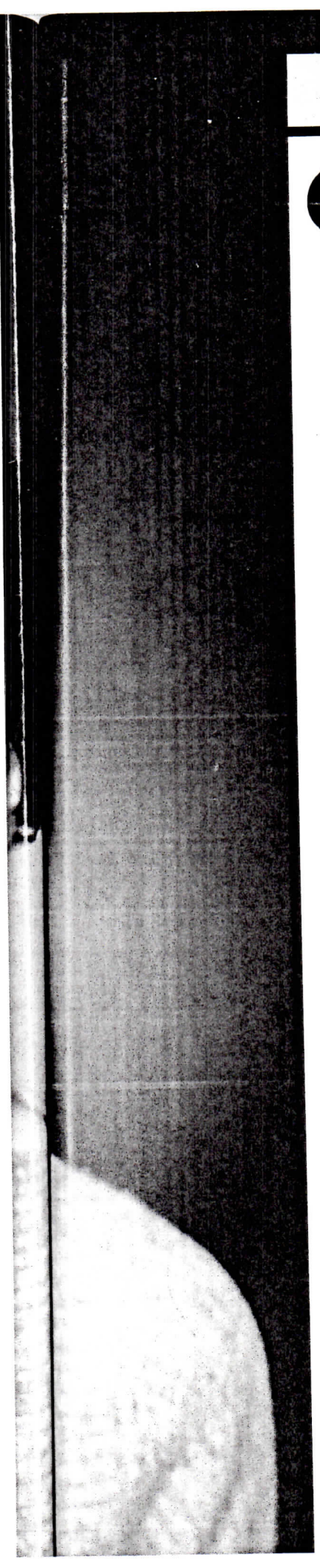


BY THEA MARIE ROOD

Choosing a Health Plan

HERE'S HELP ON HOW TO SORT THROUGH THE CHOICES.

Maybe you get a confusing packet from your human resources office at work once a year; or maybe you're in business for yourself, and you've spent mind-numbing hours in front of e-insurance. Either way, you've likely been PPO'd, HMO'd, deductible'd and co-paid until you felt downright sick. So in the end, you do what you always do: make sure your doctor is still in the book, sign up for the Blue Cross or Kaiser plan you had last year, the cheapest one they offer—and move on to something less painful. Like taxes.

But is this truly the best way to choose a health plan?

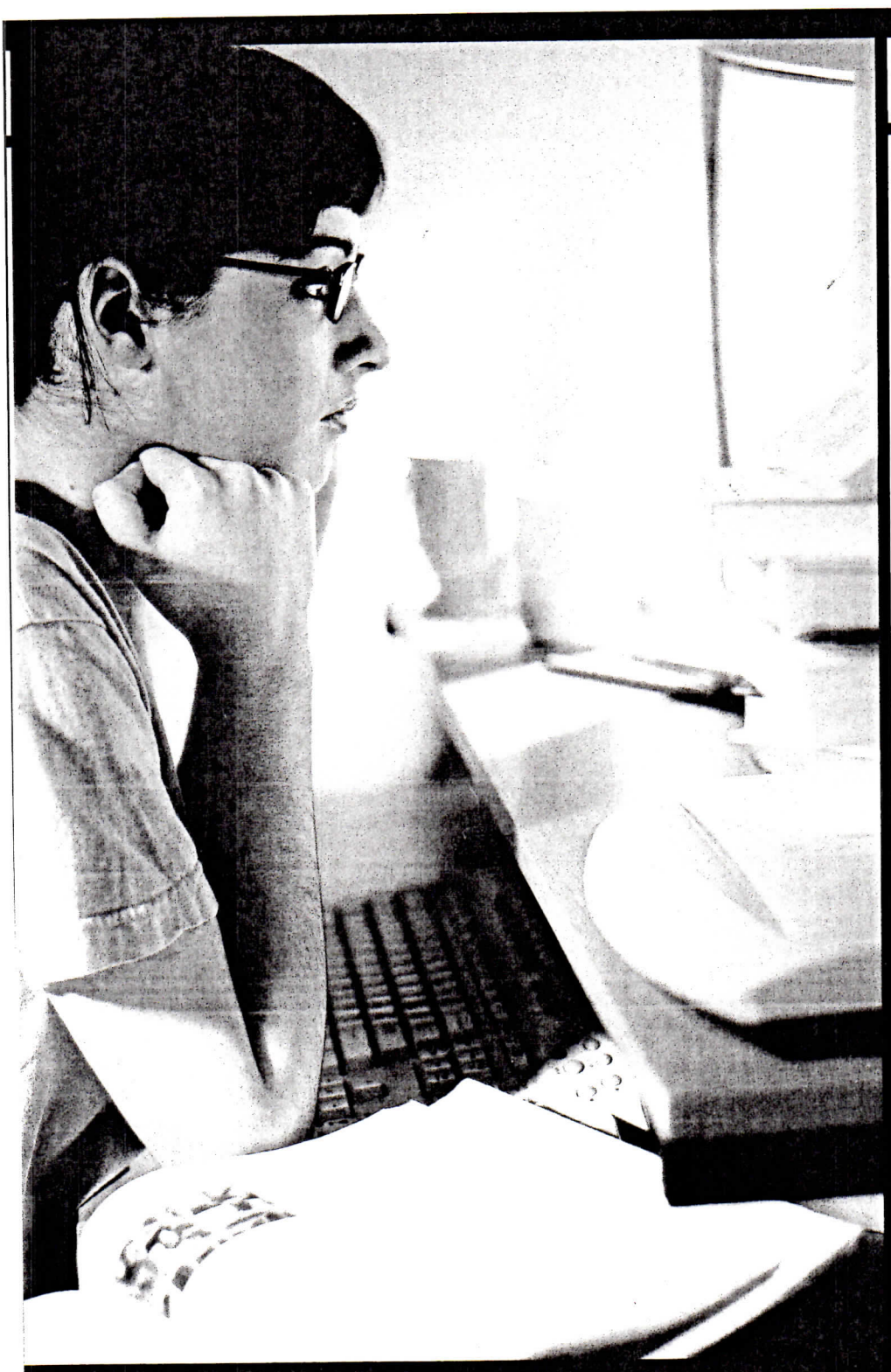
It may not be the best way, but research shows most people do it. "We've been interested for a number of years in how people make [health plan] choices, specifically in terms of cost versus quality," says Patrick Romano, M.D., M.P.H., professor of medicine and pediatrics at UC Davis. "Will people invest in higher-quality medical groups, higher-quality health plans? Are they willing to pay more? But when you have a private sector paying 20 to 50 percent of their own premiums, there is quite a stake in choosing a less expensive plan."

His colleague and research partner, Julie Rainwater, Ph.D., a sociologist at UC Davis, agrees. "Cost is absolutely the overriding concern," she says, "not the quality of the health plan."

CONSIDERATION #1
INVESTIGATE THE QUALITY OF CARE

Well, OK, so what, does it really make that much difference which little card you carry in your wallet? Actually, it might, because your insurance company often dictates what doctors, what medical groups, what hospitals you can go to—and surprisingly, there can be a wide divergence in how these individuals and institutions perform.

"There is a quality chasm in this country—the difference between what the health care system provides and what it should provide," says Romano. "A UCLA study looked at various communities across the country and, based on medical records, doctors' records and patient interviews, [researchers concluded] patients received 50 to 60 percent of the care they should have. In California, it was about 60 to 70 percent."



It's not hard to get information about a plan's or group's quality of care now — and it's getting easier.

In other words, say you've been diagnosed with diabetes. There are certain blood tests, drugs and follow-up appointments you should be getting, but maybe you're only getting half of them. Same thing with allergies, asthma, pregnancy, hypertension, you name it—common conditions many of us face. And receiving—or not receiving—that care can ultimately make a big difference in our health. "The real issue is how to motivate consumers to demand better quality," says Romano.

He may not know how to motivate you, but he does have suggestions on how to make the demand. One way is to "vote with your feet." If your health plan or medical group is underperforming, choose another one. Or, at the very least, take a sheaf of incriminating data to your next physical. "At this point, you can only get information at the medical group level, not what your own doctor's doing," says Romano, "but you can go into your doctor's office and say, 'Your medical group is only doing 60 percent on this test or this procedure—is this something I should be getting?'"

Another quality issue involves customer service—and again, there can be big differences between plans or groups. "These are things like answering the phone, getting you reimbursed in a timely manner," says Rainwater. "A good way to evaluate these issues is to look at the number of members who exit from a health plan."

Both Rainwater and Romano say it's not hard to get information about a plan's or group's quality of care now—and it's getting easier. Eventually you'll be able to go to a website, click on specific medical concerns, and see how your providers stack up. "Right now, the data is there on say 10 conditions, but you don't care about all 10," says Rainwater. "Soon, you'll be able to click on just those that concern you—it will be very user-friendly. The state Office of the Patient Advocate website is moving in that direction."

Currently, websites to check for health plan report cards include: opa.ca.gov and cchri.org. The Healthy Families Program—which offers low-cost insurance for children and teens up to age 19—also provides ratings of the various plans available

to their members: healthyfamilies.ca.gov. And if you're curious whether people have complained about bad experiences, the state compiles that data at dmhc.ca.gov/library/reports/#complaint.

CONSIDERATION #2

LOOK FOR HAPPY DOCS

After cost, the next consideration, hands-down, is "Can I still see my doctor?" Whether you're of child-bearing years and bonded to your obstetrician, your kids are completely besotted by your goofy-but-brilliant pediatrician, or your husband won't see anyone but his cycle-riding contemporary just across town, health care providers are often incredibly prized by their patients. "It's so uprooting for people to change physicians," says Dennis Ostrem, M.D., assistant-physician-in-chief, Sacramento/Roseville Kaiser Permanente. "Medical practice is in a shifting situation these days, so it's perfectly reasonable to ask, 'What is your turn-over?' Or ask for statistics on the number of years people have stayed with the medical group."

You may even be interested in how physicians are paid. "I'm very biased—it's the single most important reason I'm still [at Kaiser] after 27 years," says Ostrem, "but we're under no [financial] pressure here about how we practice medicine. Not all plans are the same, though, and I think it's a very legitimate question to ask a physician, 'Are you inhibited in any way from ordering tests or making referrals? Do you have to ask permission from business people about medical procedures?'"

Other experts are less wary about financial reimbursements, such as Romano, who says the days of contracts that encouraged physicians to cut costs—by reducing hospitalizations, for example—have fallen by the wayside. "Those types of contracts really don't exist any more," he says. "What we are seeing are more and more financial incentives for better physician performance, like improving immunization and mammogram rates." Still, it's not a bad idea to ask your doctor about a particular health plan before signing on, in case he or his medical group are on the verge of canceling the contract. "Most doctors won't contract with companies they're not comfortable with," says Romano.

CONSIDERATION #3

THAT PPO/HMO BUSINESS

For those of us who won't wade through the employee handbook, here's a brief insurance primer. "With an HMO (Health Maintenance Organization), you have a primary care doctor and must be referred to specialists—with a couple of exceptions, like your annual Ob-Gyn visit," says Tim Coughlin, owner and principal broker of Independent Insurance Brokers. "Then you just have to decide how high a deductible, how high a co-pay you're willing to tolerate." Deductibles are, of course, the amount you must pay out-of-pocket each year, and co-pays are the amount you fork over every time you're seen—for a doctor visit, a lab test or an X-ray. "A lot of the time," says Coughlin, "that's what it comes down to. You can pay $650 a month for Kaiser, with no deductible and low co-pays, or $350 for Blue Cross, where you've got a big deductible to think about. You just have to weigh your own situation."

With a PPO (Preferred Provider Organization), on the other hand, you don't need a referral to see a doctor—any kind of doctor. Say you screw up your knee at Boreal one winter, coming down the slope. If you have an HMO plan, you must first go to your family doctor, who sends you out for an X-ray, then refers you to an orthopedist within his medical group. With a PPO, by contrast, you skip the gatekeeper. Instead, you look up orthopedists in your provider book, pick the one closest to you. Or trash the book and pick the orthopedist you play golf with, or the one who's married to your daughter. But it's going to cost you more out-of-pocket.

"Basically, a PPO gives you more choice in return for more money," says Romano. "By all means, if choice is important to you and you have the money, go with the PPO. But in general, all the HMOs in the private market offer enough choice that you can find a good doctor in any specialty. It just may not be the specific one you want."

Whatever maddening abbreviation you choose, experts offer this one caution: choose something. "A lot of people try to go without health insurance," says Coughlin, "rather than pay the money every month. But it's critical—no matter what your age or

"Basically, a PPO gives you more choice in return for more money."

situation—to at least carry a major medical plan of some kind." Even if all it does is cover you at the hospital, it can protect you financially: a car accident, a heart attack, an unexpected catastrophic illness, can set you back hundreds of thousands of dollars.

CONSIDERATION #4
GET PROFESSIONAL ADVICE

Does checking the box you checked last year still seem tempting? Here's a thought: You don't have to do any of this legwork, or transform yourself into an insurance expert. You can hire one. And the best news of all: it won't cost you a cent. "Brokers are paid by the companies, not the consumer," says Coughlin. "You have no extra fee for using an insurance broker, and you pay the same rates as if you went directly to the companies." Why? "It reduces the burden on inside sales departments," he says. "The vast majority of insurance plans are handled by brokers." And all the larger companies offer the same basic brokerage fee, according to Coughlin, so there's no financial incentive for him to steer you to one company over another.

What are the major insurance companies in the Sacramento area? "Kaiser has the largest share of the market," says Coughlin. Other companies include Blue Cross, Blue Shield, Pacificare, HealthNet, Western Health Advantage, Nationwide and Aetna.

Not only can a broker help you pick the best company, he can guide you through the myriad of options each one offers. "If he's worth his salt, a broker will ask you if a particular doctor is important, if you need lower premiums, lower co-pays," says Coughlin. "We also receive a lot of inquiries from people who go online—e-health insurance, for example—and find it overwhelming. The average consumer tends to not know what they're looking at." For example, one of Coughlin's clients saw a plan online for $82, and was thrilled by the low price, not realizing there'd be no prescription coverage or outpatient care. "He may need something in the $130–$140 range to really protect him," says Coughlin.

Lastly, brokers can help small businesses find competitive group rates, and can function as a human resources office for their small batch of employees. "We really encourage the employer to send people to us," he says. They won't even make you read that employee handbook.