Three Minute Read™

Insights from the Healing American Healthcare Coalition™

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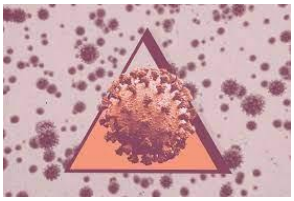
HEALING AMERICAN HEALTHCARE COALITION

From the Editor: The Biden Administration goal of vaccinating 70% of American adults by July 4th has become even more important given the emergence of India's Delta variant. The articles summarized in this issue discuss the variant, a controversial UnitedHealth-care policy and an alternate approach to the public option. To access each article, just click on the headline.



US surgeon general warns unvaccinated people are at risk from a potentially more dangerous Covid-19 variant, by Travis Caldwell, CNN, 6/10/21

TMR Topline™ - US Surgeon-General Dr. Vivek Murthy has issued a warning: *"For those who are unvaccinated, they are increasingly at risk as more and more variants develop,"* specifically citing the B.1.617.2, or Delta variant, first identified in India. *"The news about the Delta variant is evidence of really why it's so important for us to get vaccinated as soon as possible,"* he said, adding that the variant is more transmissible and potentially more dangerous. The Delta variant now is the dominant variant in the UK and accounts for more than 6% of sequenced virus in the US. According to the CDC, Connecticut, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, Rhode Island and Vermont have vaccinated more than 50% of their population while Alabama, Arkansas, Louisiana, Mississippi, Tennessee and Wyoming have among the lowest vaccination rates in the country. A UK study found that the Pfizer vaccine was highly effective against the Delta variant after two doses.

TMR Take – Heed Dr. Murthy's lifesaving advice!

ED visits decline during pandemic as patients access other avenues for care, by Mari Devereaux, Modern Healthcare, 6/8/21

TMR Topline™ - Emergency Department visits have dropped significantly since the start of the Covid-19 pandemic for a host of reasons. Among them:

- people interacting less and going out less, leading to lower numbers of accidents, illnesses and infectious diseases;
- the increased number of deaths among nursing home patients and those with chronic medical problems due to Covid-19;
- many new options for patients to see a physician or seek care using their computers, phones and access points for telehealth; and
- alternatives to ED visits enabled by payment structures that allowed telehealth to expand rapidly during the pandemic.

Kaufman Hall noted while there has been some recovery in ED visits since the early months of the pandemic, levels are still about 15-20% lower than prior averages.

Looming UnitedHealthcare policy on coverage of emergency department care draws opposition from hospitals, physicians, by Nick Hut, HFMA, 6/9/21

TMR Topline™ - UnitedHealthcare (UHC), the nation's leading commercial health insurer by market share, announced a new policy directed at denying ED claims it deems nonemergent. UHC will assess such claims based on the patient's presenting problem, the intensity of services performed and other patient complication factors and external causes, with an estimated 10% denial rate. To reverse the denial, the hospital must submit an attestation that the patient's visit met the prudent

layperson standard for an emergency. *"If the attestation is submitted within the required time frame, the claim will typically be processed according to the plan's emergency benefits,"* UHC wrote in its post about the coverage policy. The American Hospital Association (AHA) and American College of Emergency Physicians (ACEP) each is petitioning UHC to reverse the policy. ACEP cited CDC statistics showing that only 3% of ED visits are nonurgent. ACEP President Mark Rosenberg, DO, MBA, said UHC is "*expecting patients to self-diagnose a potential medical emergency before seeing a physician, and then punishing them financially if they are incorrect.*" A UHC official said that if a member goes to the ED with chest pain and receives a final diagnosis of heartburn, the visit would be covered once the provider attests that the case met the prudent layperson standard.

BECKER'S HOSPITAL REVIEW

UnitedHealthcare must permanently rescind ER policy, hospitals demand, by Morgan Haefner, Becker's Hospital Review, 6/11/21

TMR Topline™ - Although UnitedHeathcare (UHC) has paused its controversial policy to deny ED claims it deems nonemergent until the end of the public health emergency, both the American Hospital Association and the Federation of American Hospitals have called for it to be permanently rescinded.

TMR Take – Hospitals are appropriately outraged by UHC's arbitrary policy, especially given evidence that patients are using alternatives to ED visits. Dr. Rosenberg knows whereof he speaks. As chief of emergency medicine at St. Joseph's Health in Paterson, NJ, he's responsible for the 4th busiest ED in the country. UHC is all about profit, not service to its members, proving again the adage: *"For-profit enterprises operate to benefit their stockholders; not-for-profit enterprises operate to benefit their stakeholders."* The US should emulate France and Germany where health insurers are not-for-profit but compete fiercely for business based on service to their members.

The All-Payer Pricing Alternative by Merrill Goozner, Gooznews, 6/8/21

TMR Topline™ - In a lengthy article, Modern Healthcare's Editor Emeritus discusses some of the alternate routes to reaching a public option being pursued by several states as well as their critical flaws. For example, Washington's Cascade Care set benefit standards and payment rates (at 160% of Medicare) for an additional plan that private insurers must sell and administer if they want to participate on the exchange. It was the low-cost option in just 8 of the state's 39 counties. Instead, Goozner suggests all-payer pricing and explores the Maryland system – all-payer pricing combined with global budgeting – that has operated under a federal waiver since 1974. Different hospitals are allowed to charge different rates based on their historic baselines but cannot charge different patients different rates based on the insurance card they carry. RTI International's recent analysis looked at FYs 2011 to 2018: *"Depending on the year and basis for comparison, Medicare payment rates for inpatient rates were 33 to 44 percent higher under Maryland's all-payer rate-setting system."* Commercial insurance rates were 11-15% lower than in a matched comparison group. To eliminate incentives for unnecessary utilization, global budgeting was added in 2014. Those budgets are increased each year based on inflation, changes in population and other factors. Maryland's all-payer pricing system increased federal spending but allowed commercial insurers to lower premiums by double digit rates. When coupled with a global budgeting, all-payer pricing slowed the growth of health care spending. Maryland's benchmark premium rates have fallen by 29% for private plans sold on Maryland's Obamacare exchange from 2018-21, 23% below the national average. Goozner cites the following advantages of all-payer/global budgeting:

- Sharply reduces administrative waste by eliminating the multiple pricing schedules and billing systems inside hospitals and insurance companies.
- Lowers premiums for employer group plans and individual plans sold on the exchanges; and
- Incentivizes hospitals to compete on efficiency, quality, service, safety, and outcomes.

Dr. John Chessare, CEO of Greater Baltimore Medical Center said: *"Those of us who have drank the Kool-Aid are deploying the resources into patient-centered medical homes, behavioral health, sexual assault forensic examination programs. We're spending money in the outpatient area to drive better value."*

TMR Take – Creative well studied approaches to reduce hospital and private insurance costs that promote competition on quality, efficiency and outcomes need to be part of the future of healthcare in America.