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Romneycare, Obamacare -- do we care?

Though the presidential elections are more than a year away, we are already having candidate debates – complete with bickering and personal attacks. There are seven (or more, depending upon whether you count the fledgling runners) Republican candidates trying to woo the public. Mitt Romney is considered a "front runner", but his home state's 2006 health reform could be his undoing.

Five years ago, Massachusetts started requiring its citizens to carry health insurance or pay a penalty. Does this sound familiar? Indeed, many believe that the Massachusetts law was a model for federal health reform. Federal health reform no doubt wants to emulate the state's track record for reducing the number of uninsured people.

Massachusetts has the lowest percentage of people uninsured in the United States: its uninsured population is a mere five percent of the total population, compared to 17 percent in the U.S. overall, according to Kaiser Family Foundation statistics. Nearly 66 percent of the state's employers offer health insurance; only 53.8 percent of all U.S. firms offer a plan. On these measures, the state's health reform can be called a remarkable success.

That success comes at a price, a high price by many standards. The expense of the program is growing beyond the state's means. Just one day before the most recent candidate debate, the New York Times ran an article "Massachusetts Tries to Rein In Its Health Costs" (October 17th). State legislators will soon introduce bills to change how health care providers are paid. By paying providers a flat annual "global" fee, the state hopes to discourage unnecessary care. The fee would be adjusted for patients who have more health risks. Providers would not be paid per visit or procedure; but they could earn bonuses for meeting quality goals.

This model, called accountable care organizations (ACOs), has the same wellness emphasis of HMOs of yore. By keeping patients healthy, the ACO spends less on care and pockets more in profit. The quality monitoring should keep providers' profit motive in check: withholding care that a member needs will (eventually) show up as a black mark on the quality score.

Will people feel more comfortable with ACOs than they did with HMOs? More and more Medicaid plans nationwide are adopting ACO models; private payers may soon follow. It remains to be seen whether people will raise the same objections.

Candidate Romney has said repeatedly that he does not advocate his state's model for the entire U.S. The state has some features that enable it to succeed (even if some contend that it has failed): it is densely populated, medical providers compete for market share, and it has a higher per-capita income than many other states. In any case, he has also vowed to repeal Obamacare, if elected.

If we as a society agree that more people should have health insurance, then repealing Obamacare will only mean that another plan will be developed – whatever it may be called. As for people getting health insurance, we do seem to care. We just need to translate that care into action.

By the way, Health Economy is co-developing Workplace Dx, an online tool for employers to measure the health impact of workplace dynamics. Things like fairness and employee confidence have a direct effect on heart disease, depression, and other illnesses. If you know someone who would be willing to try it out and get a free analysis report, please e-mail me.

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