DOCTOR's DIGEST PODCAST

How Will CDHC Impact Healthcare?

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Are your patients turning into consumers? For a lot of people, the word "patient" implies subservience, while the word "consumer" acknowledges the important role that people can play in choosing their own healthcare. Since physicians think of themselves as healers rather than salespeople, this shift in terminology may represent a pretty revolutionary change in the way patients and physicians interact.

In fact, consumer-driven healthcare, known as CDHC, is a new trend in health insurance that is making a lot of physicians uneasy. Patients are taking a greater role in choosing their own healthcare services and even their own treatment. The tradeoff is that they are also paying more of their medical bills. CDHC insurance plans offer patients lower monthly premiums and the option of setting up a tax-free health savings account in exchange for higher out-of-pocket expenses. The idea is to apply "consumerism" to healthcare, encouraging patients to act on their own to seek out high-quality, cost-effective medical care.

The trend is growing fast. CDHC-plan enrollment totaled four-and-a-half million Americans a year ago, and that was a forty-three-percent increase over the previous year. But this trend raises some big questions: how does redefining "patients" as "consumers" affect the physician-patient relationship? What changes do physicians need to make in their practices in order to accommodate CDHC? And exactly how will this trend affect the business and practice of medicine?

Proponents and critics agree that CDHC is leading to some profound changes. But they differ on whether these changes are for the better or the worse. For example, those who watch patients struggling to pay their CDHC-plan deductibles may wonder whether patients are actually saving any money. While they definitely save on insurance premiums, whether they save overall is dependent on a wide range of factors often beyond their control, such as their unique biologic heritage and their need for the more extensive—and expensive—forms of medical care.

One theory behind CDHC is that when patients are paying for their own medical care, they will be more likely to avoid unnecessary tests and procedures that drive up the cost of healthcare. They may think twice before seeing a doctor for a common cold. But some are concerned that they may also avoid seeking care when it's medically necessary. And should it be up to the patient to decide whether he has a bad cold that doesn't need a doctor's attention, or early pneumonia that definitely calls for professional care?

What are the facts? Well, the facts themselves are confusing. Data compiled by the RAND Corporation support both sides of the controversy. CDHC participants were more likely than those in traditional insurance plans to forego needed care and more likely to delay getting care due to costs. However, in other studies, CDHC enrollees were more likely to obtain preventive exams and to comply with treatments recommended by their doctors. Statistics from both CIGNA and Blue Cross/Blue Shield indicate that CDHC-plan participants are not more likely to put off care. The only safe conclusion at this point seems to be "Sometimes they do, sometimes they don't." Late last year, Medscape conducted a poll with over fifteen hundred respon-

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dents in the medical community. Interestingly, eighty-one percent of the respondents in the poll believed that patients would be less likely to seek medical care when they themselves were footing the bill.

Another concern is that CDHC may turn out to be a bad deal for low-income patients. One expert has expressed his fear that the negative effect of CDHC will fall mostly on the medically indigent: the working poor with incomes near the poverty level, who are ineligible for Medicaid or Medicare. These people will face big deductibles and costs under CDHC, and they are the least able to contribute to health savings accounts. Surveys have shown that two-thirds of people in CDHC plans with annual household incomes under fifty thousand dollars spent five percent or more of their total income on out-of-pocket medical expenses and premiums. Two in five spent ten percent or more. Obviously, those who are financially secure have more insulation against this kind of expense.

Still another unanswered question is how qualified the average patient may be to choose his own healthcare. While CDHC encourages patients to comparison-shop for healthcare, it's a big question whether patients have access to the kind of information they need to make informed choices. Will price-shopping be the main criterion for many patients? And will physicians have to alter their practice in order to accommodate price-shopping among their patients? And is price really the best way for them to choose healthcare in the first place?

Certainly CDHC is playing a major role in redefining the business and practice of healthcare in America today. Whether patients and/or physicians will ultimately benefit or lose from this trend remains to be seen.

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