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Govt. takeover of health care is called scary
Small-business people are worried

By Aaron Nicodemus TELEGRAM & GAZETTE STAFF

WORCESTER — The movement to overhaul the nation's health care system has businesses, and small businesses in particular, worried that a national government-run health system will prove ruinous.

At a state Senate hearing held at the Massachusetts College of Pharmacy and Health Sciences yesterday, several business representatives said their members are scared to death of a government takeover of health care.

"Most small employers don't want to enroll in a government plan if they don't have to," said Lisa M. Carroll, president of the Small Business Service Bureau, based in Worcester. In a survey of 1,000 of the group's members, two-thirds say they believe rationing will occur under a national health care plan, that some treatments would be limited and that members would not be able to choose their own doctors.

Richard B. Kennedy, president and chief executive officer of the Worcester Regional Chamber of Commerce, was more emphatic.

"A government-run health plan would undo the progress made in Massachusetts," he said, referring to the effort in the state to insure all residents. "The private model is not perfect, but it works. It leaves health care management to the experts, who know how to run it efficiently and most effectively."

Health care leaders testified before the Special Senate Committee on National Health Care Reform. The committee is headed by state Sen. Richard T. Moore, D-Uxbridge. The committee is charged with focusing on lessons learned in the state's health reform effort, and whether any of its features should be contained in national proposals being advanced by President Barack Obama and the U.S. Congress. State Sen. Michael O. Moore, D-Millbury, also attended yesterday's hearing.

Eric H. Schultz, president and chief executive officer of Fallon Community Health Plan, said that any discussion of controlling health care costs should focus on three areas. Fallon, he said, can speak from two viewpoints, as it is a health care insurer and also a provider of health care services.

The current model of health care, he said, rewards specialists and punishes primary care physicians, causing an extreme primary care physician shortage in some parts of the country.

The "technology arms race," as he described it, in which hospitals must have the latest and greatest equipment "plays a huge role in driving up costs."

And lastly, the fee-for-service health care model in place creates incentives for doctors to order more tests or procedures than necessary. That phenomenon is exacerbated by "defensive medicine," in which doctors order the extra tests and procedures as a way to inoculate themselves against malpractice lawsuits.

He said Fallon has seen some consumers who sign up for an expensive plan for a short time, use its services, and then switch to a lower cost plan, or no plan at all. Employees who choose a lower cost plan, or whose employer only offers a lower cost plan, call outraged when they have to pay a high deductible on their \$1,800 MRI, he said.

He said that any overhaul of the health care system should also work to prevent employers from "dumping" employees with high health care costs into the government's system.

Mr. Schultz advocated for a "value-based system" that "holds payers accountable and that produces more favorable clinical outcomes. The market is looking for any relief from health insurance premiums."

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