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Ohio's 'dual eligible' reform must focus on patient care

BY WILLIAM BURGA

Ohio recently applied to participate in a new federal initiative aimed at revamping health care for some of the state's most vulnerable patients. The program focuses on "dual eligibles," meaning people who qualify for both Medicare and Medicaid. This population is largely low-income and either old or disabled.

President Barack Obama's 2010 health law enabled states to create a new coverage system specifically for dual eligibles that better integrates and coordinates Medicare and Medicaid services to reduce excess health costs. Ohio has joined 37 other states in attempting to develop just such a program.

Those are worthy goals and would benefit all Ohioans. But legislators must proceed with caution. When it comes to our state's most vulnerable patients, savings should come from better case management and more closely integrated care -- not from benefits cuts.

It's no secret that health care costs in Ohio are stratospheric. Ohioans spend more per person on health care than residents in all but 13 states. Despite these high bills, our citizens aren't any healthier. In fact, 41 states have healthier work forces.

This has a huge impact on the size of our paychecks -- not simply because insurance costs and doctor visits are high. Because Medicaid costs are partially shouldered by the state, an increasing percentage of our tax dollars are spent on health care. So revamping the system for dual eligibles affects all of us.

Here in Ohio, there are approximately 190,000 dual eligibles.

Most dual eligibles suffer from both a chronic medical condition and a disability. Forty-six percent utilize long-term care services. Sixteen percent suffer from behavioral health issues, like substance abuse or psychiatric disorders.

Because of these conditions, dual eligibles often require particularly expensive medical services. Though they comprise only 10 percent of the state residents enrolled in Medicaid, dual eligibles account for just about half of long-term care costs.

In 2008, Ohio spent an average of $20,000 on each dual-eligible enrollee. And total federal and state spending on this group now accounts for a third of all Medicare and Medicaid expenses -- an estimated $300 billion annually.

Given the cost and diversity of services required by dual eligibles, there is very little coordination in their care. Medicare and Medicaid programs are designed and managed with little connection to each other.

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As a result, dual eligibles often suffer from poor individual health outcomes and are forced to navigate an unnecessarily complex set of rules governing reimbursements. Health providers face major administrative burdens. And public insurance often pays for wasteful, duplicative services. Ohio workers and taxpayers are left to pick up the tab.

Tackling these inefficiencies is a worthy cause -- but it also requires common sense. Efforts to cut costs shouldn't compromise patient care. The savings must come from improved care coordination, not cuts in services or payments to caregivers.

The specific dual-eligible proposal Ohio is currently considering would establish an "Integrated Care Delivery System," in which managed-care plans oversee coverage with a single point of contact for beneficiaries.

Ohio anticipates this initiative will lead to more coordination across the various medical delivery systems. And, as a result, this program should reduce hospital emergency room visits, shorten inpatient stays, lessen readmissions and reduce nursing facility utilization.

Ohio's plan does not come without concern. There's a risk a new system run by managed-care companies, which have little experience dealing with long-term-care patients, will be more focused on profits than patients.

This concern deserves due consideration. Legislators have already ratcheted down reimbursement rates for health providers that participate in public insurance to the point that it's often economically infeasible for physicians and hospitals to take on new beneficiaries.

For health care providers in Ohio, there is much concern about whether they will be paid enough to provide quality care. Rates under managed-care plans are particularly susceptible to being trimmed.

These pitfalls can be avoided. The federal government should retain primary oversight of coordinated care efforts. Lawmakers should focus on building on systems that have already proven successful and preserving dual-eligible access to important health services.

For the sake of all state residents, dual-eligible care in Ohio does need to be improved. If state legislators proceed smartly, integrating services for this vulnerable patient population could improve their health outcomes while cutting down on wasteful spending and sparing all Ohioans from unnecessarily high health costs.

William Burga is a past president of the Ohio AFL-CIO.