

Special to members
January 2, 2009

RI physicians and Providence City workers have something in common: Given the choice, they prefer Blue Cross

This week the Office of the Health Insurance Commissioner (OHIC) released results of a survey of physicians that OHIC conducted last spring with the help of the Rhode Island Medical Society.

Consistent with the statutory charge of OHIC, which includes encouraging “fair treatment of healthcare providers,” the survey sought data on the medical community’s experience with the service and general civic behavior of Rhode Island’s two major health plans.

In brief, the survey found “general dissatisfaction” with both health insurance carriers.

However, as the OHIC summarizes, “BCBSRI ratings were higher than United on all metrics. Most notably, providers were generally satisfied (greater than 50% total scores of ‘good’, ‘very good’ or ‘excellent’) with BCBSRI’s claims processing, general provider services, and collaborating to promote health systems improvement. Providers were generally dissatisfied (greater than 50% total scores of ‘fair’ or ‘poor’) with UHC [UnitedHealthcare] on all metrics.” Physicians also gave Blue Cross overwhelmingly better grades than United for approaching adequacy in reimbursement.

UnitedHealthcare’s quality of service issues are not unique to Rhode Island. The American Medical Association’s 2008 insurer report card indicates that United pays claims accurately only 61.55% of the time, an industry low among the major plans AMA examined. UnitedHealthcare of New England has assured RIMS and OHIC in recent months that United is reversing some of its national consolidations in an effort to improve service.

The survey results and the City of Providence

The results of the OHIC survey suggest that much is at stake for physicians and patients in the ongoing dispute between the City of Providence and its employees over health coverage. The City wants to switch from Blue Cross to United as its medical benefits manager, claiming that this change will save the City \$11 million over the next three years. However, Blue Cross publicly and emphatically disputes whether the City would realize any savings at all and predicts a deterioration of services if the change is implemented. (See the strongly worded commentary from Blue Cross that was published in the Providence *Journal* last week.)

In the latest chapter of this saga, the RI Supreme Court moved this week to force

the City of Providence to submit to binding arbitration on the choice of health plan administrator.

Savings on health care administration: elusive and illusory?

Some observers see common threads in the City's attempt to switch to United and the state's radical plan to redesign Medicaid. Both initiatives may owe some of their origin to the political need to create the illusion, at least, of saving taxpayer money on health care. The ultimate fate of both of these current controversies hangs in the balance this month.

OHIC's release of the physician survey data is available on the OHIC website, www.ohic.ri.gov. The OHIC survey went to all of the 2600+ practicing physicians in the state. 179 physicians responded within the 7-day window during which the electronic survey was open (a 6.9% response rate).

Reminders of some background on the above matters The idea of a Health Insurance Commissioner for Rhode Island originated with RIMS in 2003. At that time, RIMS envisioned a Commissioner with much broader powers than today's OHIC, including far-reaching authority over medical professional liability insurance as well as health insurance.

The OHIC was created by legislation in 2004 with RIMS' support. That was the same year that RIMS called for and got "regime change" at BCBSRI, which has proven to be a positive watershed event in the recent history of Rhode Island.

RIMS and OHIC have worked together continually and productively since OHIC's creation. For example, during 2006 -2008, OHIC actively supported RIMS, as did several medical specialty societies, in an ambitious RIMS plan to gather comprehensive payment data on a rolling and risk-free basis so as to be able to measure and track progress toward what RIMS has called "regional parity" in reimbursement. RIMS terminated the 18-month effort in March 2008 because of inadequate participation by physicians. However, regional parity remains a prime goal of RIMS.

Since August 2004, regional parity has also been a stated goal of BCBSRI, which has since made good on a series of promises to work toward that goal. Blue Cross explicitly reaffirmed the goal in a letter dated December 22, 2008, in which the company confirmed previously announced fee updates for E/M codes effective April 1, 2009. A further BCBSRI fee update is scheduled for July 1, 2009.