



## **Critics: Health proposals downplay cost of care**

**By ROBIN LORD  
STAFF WRITER**

With a showdown looming between the House and Senate over health insurance proposals, economists and public health experts are divided over which plan would benefit Bay State residents.

"The big thing is, none of the bills do anything serious to contain costs," said Alan Sager, co-director of the Health Reform program at the Boston University School of Public Health. "Everyone who does business in Massachusetts knows that health care costs are becoming unaffordable, and this bill widens the gate for all of us, partly because it doesn't address the cost of care."

More than \$1 billion a week is spent on health care in Massachusetts, but Sager believes half is wasted.

"(One billion) should be enough to take care of everyone," in the state, he said.

Sager's biggest concern with both the House and Senate versions - each seeks to set up a state program, but pays for it in different ways - is the idea of providing incentives for employers to buy into a state health insurance program that will likely have high deductibles and co-payments. He said that would encourage employers who now provide more comprehensive coverage to their workers to drop it in favor of the cheaper state plan.

"We will all end up with flimsier coverage," he said.

Sager also is concerned that the high deductibles and co-pays would force people to avoid care until it became too serious to ignore, thereby increasing health care costs instead of reducing them.

"(The bills) mean better coverage for hundreds of thousands of people, but it may be coverage a lot of people can't afford to use," he said.

If more people find themselves on health care plans that have lower premiums but high deductibles and co-pays, it could lead to poorer health all the way around in the commonwealth, said Jim Conway former chief operating officer at Dana Farber Cancer Institute, who is now with the Institute for Healthcare Improvement in Cambridge.

Such plans are designed to help people with catastrophic health care bills, but would discourage preventive - and less costly - care, he said.

Conway also said that if more employers switch to the state system, their workers - who now have more comprehensive coverage that allows them to seek preventive and early care - will end up worse off.

"In the spirit of providing access, we run the risk of putting a bigger burden on the people who are now accessing care," he said.

But Massachusetts Institute of Technology economics professor Jonathan Gruber, who has been an outspoken proponent of the House version of the plan, said his models do not project a huge shift by employers away from their private insurance coverage. And, even if that does happen, it is not necessarily a bad thing, he said.

"Insurance is supposed to mean you're not bankrupted," he said. "Health insurance should not cover all your spending."

Gruber agreed that health care costs need to be addressed, but he claimed arguing against the current reform packages on that basis is a case of "perfect being the enemy of good."

"I agree these plans don't deal with health care costs in a meaningful way, because we have no clue how to lower health care costs," he said.

"Let's deal with a problem we can solve."

Higher out-of-pocket costs could force consumers to pay more attention to the health care they are getting, and thereby lower costs overall, Gruber argued.

Consumers will avoid the health care they do not need, he said.

Sager countered that consumers need trained health care professionals to guide them.

"If you were ill, would you know how to diagnose and treat your problem?" he asked.

Health Care for All executive director John McDonough agreed with Gruber that the House version of the plan is at least a good start towards universal coverage. The Boston-based health care advocacy group is actively campaigning for a ballot question for 2006, which would do many of the things included in the House version of the plan. McDonough said, if the House bill passes, or something close to it after a new bill emerges out of the joint Legislative committee, his group will probably drop the campaign.

McDonough also agreed with Gruber that, if a state-sponsored plan was adopted, it would not lead to a huge exodus of employers away from their current private coverage.

"It's still an advantage, when competing for good employees," he said.

Despite his criticism that the bills do not address the real problem of skyrocketing health care costs in the state, Sager said he sees great reason for optimism that lawmakers and others will figure out

a solution for covering the half million residents in the state currently without insurance.

Unlike other problems such as housing the homeless or eliminating environmental pollution, the dollars are there - through savings on health care costs - to solve the problem, he said.

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