



Quest Physician Update

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Transforming Healthcare-Together.

Dear Colleagues,

Healthcare reform is the topic of the day and as physicians, we are looked to for our opinions. Although reforming healthcare is critically important, the complexities can seem overwhelming. It is helpful to digest the topic of healthcare reform one bite at a time. An important part of the discussion revolves around who does and who doesn't have health insurance.

In the U.S., we use a unique approach to insurance coverage called 'categorical eligibility.' That means coverage depends on what category an individual falls into. This approach started over half a century ago when wage controls during WWII prompted employers to look to other means of attracting employees. Some began offering health insurance.

In 1954, federal legislation granted employers tax credits to provide employee health insurance and the practice grew. Subsequent legislation created Medicare, a category for people over 65. Medicaid was created for some, but not all people in the category of limited income. Medicaid covers the following:

- Children up to age 19
- Pregnant women
- Parents (and caretakers of children) in families with dependent children
- Individuals with serious disabilities, if the disability is expected to last at least 12 months
- The elderly

The number of people left out of these categories is significant. The IOM recently reported that nearly 47 million Americans, including more than 9 million children, do not have health insurance. Rising healthcare costs have been eroding employer-based health insurance for a number of years. Now, as our economy struggles and jobs are lost, more people are finding themselves without health insurance.

Answers to this dilemma aren't simple, but they are imperative. The U.S. is the only industrialized country that does not guarantee healthcare coverage to all citizens. Americans value employment-based coverage and we value choices. Solutions are likely to be a combination of various options. A few potential changes being discussed include creating a national 'exchange' where people can buy private insurance, creating a new public insurance product with one administrator, expanding income eligibility for Medicaid, and lowering the age of eligibility for Medicare to age 55. Stakeholders who want a seat at the table are being asked to identify waste that can be removed. One individual who attended the recent White House summit is quoted as saying, "You are either at the table or you are on the menu." Quest will work to keep you posted.

Respectfully,

Gail M. Amundson, MD, FACP