Health exchange patients at Blue Cross crossroads

Just when Dennis Spencer started to settle in with a health care plan — about as settled as one can be with those these days — another crossroad arrived in the mail.

Blue Cross of Idaho, his insurer through the state’s health exchange called Your Health Idaho, informed him that his plan will change in 2017.

By Nov. 1, the letter states, Spencer will have to choose between the plan that Blue Cross recommends, the Kootenai Care Network, or a different plan. It also states that if Blue Cross doesn’t hear from him by Dec. 15, it will automatically enroll him in that network.

“This is a mess,” said Spencer, referring to his reaction of receiving the notice. “This whole thing from the get-go has been a debacle, so I called our local insurance group that manages our policy to find out what’s going on.”

The Coeur d’Alene man said he’s leaving his options open on which health care path to follow.

“We’re waiting to see what the Regence plan will be to see if it’s something worth considering, but we’re also contemplating on self-insuring ourselves, paying the annual penalty and telling the government to take a hike,” he said. “It’s frightening.”

Kootenai Care Network rollout

The new Kootenai Care Network is a clinically integrated network (CIN) in which about 450 local providers collaborate on health care with the intent of improving quality in a more efficient manner than can be achieved independently.

About two-thirds of the network are independent providers who are offering services at other facilities, and a third are Kootenai Clinic physicians and Kootenai Health leaders. The network’s board includes members of all three populations.

The network, not Blue Cross, decides which providers are brought into the system.

“Collectively, we can better manage patients together,” said Patt Richesin, network president. “Before, it was difficult for physicians to have conversations (about specific cases) even if they were across the hall from each other. Now we’re reversing that. The purpose is to be inclusive. “

Richesin said the formation of the network comes amid a national trend toward insurance carriers contracting with CINs. About 2,500 Kootenai Health employees and their family members are receiving care through the network, and thousands of other local residents who are currently insured with Blue Cross through the health exchange are expected to make the switch to the network in 2017.
“We’ll grow rapidly, but responsibly,” Richesin said, adding that the network is projected to grow to roughly 22,000 by the end of next year with multiple contracts. “We’re really excited about it because health care is a mess.”

**Trend toward coordinated care**

Peter Sorensen, an individual product leader with Blue Cross, said the reason Blue Cross is making the switch and contracting with Kootenai Care Network is because qualified health plans (QHPs) under the Affordable Care Act aren’t making the grade when it comes to providing service.

“It’s no secret that most QHPs across the country are not in a sustainable situation,” he said. “We needed to look at what would be sustainable and it came down to the coordinated care model.”

Sorensen said Blue Cross has similar partnerships with providers across the state.

But patients like Spencer and leaders at Northwest Specialty Hospital in Post Falls believe plans such as the one offered by Blue Cross severely limit patient choice.

The plan’s out-of-network deductible is $50,000 for individuals and $100,000 for families, and the patient’s responsibility for doctor office visits and inpatient hospital stays is 80 percent after deductible. Insurance covers only the remaining 20 percent.

“Who has the money to pay that?” Spencer asked.

Sorensen said such provisions were developed intentionally so that patients stay in network to receive their care.

“The plan needs to discourage people from wanting to wander around,” he said. “If that (out-of-network) benefit was never used, I’d be the happiest man in the world. We want people to get care in network.”

**Limited patient choice concern**

Rick Rasmussen, Northwest Specialty CEO, said that while some physicians have privileges at both Northwest Specialty and Kootenai Health, the Post Falls hospital has a pending inquiry in to Blue Cross as to why it wasn’t invited to be a more realistic option for patients under the plan.

“They may say there’s choices, but a $50,000 deductible isn’t really a choice,” Rasmussen said. “It’s a shell game. They call it a narrow network, but it is really a closed network.”

He said having the name “Kootenai” also gives some residents the impression that they must automatically enroll in the network since they live in Kootenai County.

Rasmussen said he believes the new plan reduces health care competition, which traditionally drives quality down and costs up.

Spencer said he likes the option of having other options outside a single network.
“Nothing against Kootenai — they’re a great hospital — but they’re not the answer to everybody,” he said. “It’s just nice having the choice, especially when there’s exorbitant rates.”

Spencer said he feels like he’s been “railroaded” when it comes to health care in recent years and is being forced down a specific path.

“Choice has been taken out of your hands with medical treatment and put into the hands of the government,” he said.

Rasmussen said Northwest Specialty would simply like to see a level playing field when it comes to patient choice.

“This isn’t a fight with Kootenai at all,” he said. “I want a good community hospital, but I also want to allow our community to have choices. I believe that when we lay our quality in front of patients, they want to come here, but that is ultimately on them. I’m all for the competition.

“People may choose Kootenai regardless — and that’s fine — but at the end of the day people still deserve choices.”

Northwest finished 14th in the nation out of 3,041 hospitals in the Center for Medicare and Medicaid Services’ value-based purchasing program looking at 27 quality factors. The hospital’s infection rate is also 0.33 percent, whereas the national average hovers around 7 percent.

He said Northwest meets all of the provisions under state law to provide managed care.

“If we’re good enough for commercial (health care plans), we should be good enough for the exchange program,” he said.

But Sorensen said Blue Cross has to go with networks that have enough providers to render sustainable service, which he said Kootenai Care Center does. Most people in the new networks won’t have to change the hospital or physician of their choice, he said.

“I think any fears will dissipate quickly,” he said. “We need to move into a world where we can manage populations of people in better ways through technology and partnerships. We as carriers are working closer with providers as well. We’re trying to solve problems by coming together. The public is demanding it; it just doesn’t know how.”

**How big is too big?**

Some critics see partnerships such as the one between Blue Cross and Kootenai Care Network as an example of a health care monopoly, but Richesin said that’s not the case.

“There are federal regulations around CINs with how we deliver care,” she said. “It’s not about monopolizing. It’s about delivering care with like-minded people in terms of creating outcomes. It’s about a dynamic change in the delivery of health care, and sometimes that can be painful at first.”
Rasmussen said Northwest Specialty has been fielding between 20 and 30 calls a day from people responding to the Blue Cross letter.

“My patients are upset about this,” said Dr. Jeff Lyman, an orthopedic surgeon and an owner of Pleasant View Surgery Center in Post Falls. “They think Kootenai is trying to control their health care lives and they don’t want their lives to be controlled. When you take away choice, quality suffers.”

Dr. John Pennings, a general surgeon who has privileges at both Kootenai and Northwest, said keeping patients’ options as open as possible creates competition and that, in turn, improves health care.

“If you do a good job, the patient will come back,” Pennings said. “Trying to usurp choice with an alliance with an insurance company is wrong.”

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