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Make controlling health care costs a top priority

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Editorial

Health care costs continue to rise for both employers and workers in southeast Michigan. It's not a new problem, but it needs renewed attention.

The health insurance market has to stay competitive; providers have to adopt practices that cut costs and consumers have to be active health care shoppers and aware of the cost of their lifestyles.

McGraw Wentworth, a Troy health care consulting group, issued a report this week noting that for mid-sized firms employing from 100 to 10,000 workers, health care costs have increased by 7 percent in the region this year. The figures are based on a survey of 376 such companies.

And employees are shouldering an increasing share of the burden. According to the survey, workers are paying 39 percent of their monthly health care benefits through various co-pays and deductibles, up from 33 percent in 2004.

More firms are moving toward dropping group health insurance altogether. That means a growth in the individual coverage market, which is why it is important that Lansing get the individual medical insurance reform it is currently studying right.

The best option is a compromise package worked out by State Sen. Tom George, R-Kalamazoo, and Jason Allen, R-Traverse City, that calls for faster approval of rate change requests by Blue Cross, allows it to set rates based on a large swath of geography to reflect local costs, and lets it take into consideration client behaviors, such as smoking and fitness, to assess rates for individuals. It protects consumers by not allowing health insurance companies to dramatically raise premiums on policyholders who become ill after they buy policies.

It also allows for continued government oversight over Blue Cross, which remains the tax-exempt insurer of last resort for individuals but asks for a study of the market to determine if the state should adopt some sort of high risk pool shared by all health underwriters.

Health care costs amounted to nearly \$37 billion in southeast Michigan last year, according to the Greater Detroit Area Health Council, a coalition of business, physicians, hospitals and health care plans. Health habits in the region are worse than for the nation, the agency contends. One in three people in the region is overweight; one in four is obese, for example. The group has established the goal of reducing the rate of increase for health care costs by 1 to 3 percent, which in the context of \$37 billion is significant. It has had success in getting cooperation from hospitals and physicians in instituting such practices as controlling hospital infections following surgery, encouraging the use of generic drugs and setting up programs to allow patients to better manage chronic and expensive diseases such as diabetes.

It has set up a monitoring program to get hospitals to adopt better practices in dealing with heart attacks, heart failure, treating pneumonia and counseling on smoking and weight factors in health.

But the agency's Bridget Hurd contends that while many businesses have signed on to give their workers information on better health practices and how to shop for treatment, more are needed.

There is no single institution that can make this area more competitive in its health care costs -- many groups, as well as residents, will have to work together to get the job done.