



Building Prevention into Health Care

Maine Woman Says Prevention Saved Her Life

Not long ago Beatrice Blake, a mother from East Blue Hill, Maine, would have skipped her routine visit to the doctor. Although she and her family had health insurance, preventive health care always seemed to be financially out of reach. The insurance policy she bought for her family of four costs more than \$500 per month and came with a \$5,000 deductible. Like many others, Blake simply could not afford the out-of-pocket costs for routine preventive care.

Her situation improved in 2003, however, when Maine Gov. John Baldacci signed into law the Dirigo Health Reform Act. That program expanded Medicaid coverage for low-income parents and created DirigoChoice, a comprehensive health insurance plan with premiums based on a sliding scale according to income. Although Blake still pays more than \$500 a month for the insurance policy she bought through DirigoChoice, doctor's office visits now cost only \$20 and the deductible is a more manageable \$1,450.

In addition, Blake doesn't have to pay extra for preventive services. There are no co-payments or deductibles for services such as flu shots, screening tests, physical and eye exams, mammograms, well baby care visits and immunizations. DirigoChoice also provides cash rewards to people like Blake for meeting individual health goals.

Blake credits her new health plan and its prevention emphasis with saving her life. During a routine colonoscopy screening, recommended for everyone age 50 and older, Blake's doctor discovered she had colon cancer. If not for DirigoChoice, the cancer might not have been diagnosed until it was too late. Because of the screening, doctors caught Blake's cancer in time and were able to treat it. Today, Blake's prognosis is good.

In its first two years, more than 10,000 people enrolled in DirigoChoice. Nearly one-third of them previously were uninsured. That was the case for Joan Thompson, a registered nurse, business owner and single mother of two from Newcastle, Maine. Although she worked in the health care field, she could not afford health insurance.

"There's something innately wrong with a registered nurse not having health insurance," Thompson said. As the parent of a teenage son, Thompson held her breath



every time he rode a four-wheeler or dirt bike, afraid of what might happen if he had an accident. She told her son "If you do one silly thing and break your arm, we're in trouble for a long, long time." Not only could Thompson not afford insurance for her family, she also could not afford to provide insurance for her employees. Fortunately, that changed with the creation of DirigoChoice. She enrolled her family and employees in the program. Now she doesn't worry about paying for medical costs if her son is injured, and what's more, for the first time in years, she and her son have access to basic preventive services.



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Talking Points



Health Care Needs to Emphasize Prevention

- Americans want better health. Better health can be achieved through prevention. The United States ranks poorly on nearly every health status measure and spends more on health care than any other nation in the world.¹ Focusing on disease prevention could improve quality of life, improve health status and ultimately avoid health care spending.
- Many can't afford preventive services because they lack health insurance or have inadequate coverage for prevention. One in six Americans under age 65 is uninsured and these numbers are increasing.² Barriers to obtaining insurance include lack of access or ability to afford employer-based insurance.² In 2006, more than eight of 10 uninsured people came from working families.² Expanding health insurance coverage to more Americans and assuring coverage of preventive services will remove barriers to individuals using and providers offering preventive services.
- Health care consumes a growing share of employer expenses and household income. At current growth rates, U.S. health care costs will reach 20 percent of Gross Domestic Product by 2016.³ The average health insurance premiums and other health care expenses for a family of four are about \$14,500 a year.⁴ Double digit increases in premiums have employers and families worried about future affordability.² Through greater use of high-quality preventive services, Americans can obtain greater return from their health spending and perhaps even reduce spending.



How Can State Coverage Initiatives Emphasize Prevention?

- First, states can expand access to health insurance coverage by:
 - Expanding eligibility for Medicaid and State Children's Health Insurance Programs and allowing the uninsured to purchase coverage under these programs;
 - Providing incentives for small businesses to offer health insurance to employees;
 - Encouraging employers to offer employee benefits that allow use of pre-tax dollars to pay for health care costs; and
 - Making individual health insurance more affordable through pooled group insurance offerings, premium subsidies for low-income populations, individual income tax deductions for health insurance premiums and higher age limits for dependent children under family insurance plans.
- Second, states can increase the return on health care spending through improved quality and efficiency of patient care by:
 - Using health information technology to eliminate duplication of services, reduce medical errors and provide continuity of care; and
 - Establishing provider pay-for-performance and quality initiatives in state insurance programs.



- Third, states can encourage individuals and providers to increase use of prevention and disease management services by:
 - Including screening and disease management services to prevent illness and disability in state-purchased health insurance plans and required standard benefits for private insurers.
 - Encouraging individuals to adopt healthy behaviors such as losing weight, increasing physical activity and avoiding tobacco use, by making health education and counseling part of standard benefits for state employees, Medicaid programs and private health insurance.
 - Coordinating efforts between state and local public health screening and education campaigns aimed at chronic disease prevention.



What Can State Legislators Do?

- **Require coverage for preventive services in all health insurance plans.** Adopt a standard health insurance benefit plan for Medicaid, state employees and private insurers in your state that provides coverage for preventive services, including at least:
 - Education and counseling to support healthy behaviors that include stopping smoking or never starting to smoke, maintaining good nutrition and healthy diet, increasing physical activity on a regular basis, and losing weight and maintaining healthy weight.
 - Screenings for high blood pressure, cholesterol and blood sugar;
 - Immunizations for flu;
 - Screenings for skin, breast, cervical, prostate and colorectal cancers; and
 - Periodic physical exams.
- **Improve access to private insurance coverage.** Encourage employers to offer health insurance coverage and allow employer tax deductions or subsidies for employee premium payments. Consider mechanisms to make purchasing individual health insurance plans more affordable.
- **Encourage individuals to adopt healthy behaviors, reduce risk for diseases and use preventive services.** Introduce incentives in public and private health insurance coverage to encourage use of preventive services, such as reduced premiums or other rewards for healthy behaviors.
- **Assure high quality preventive services are delivered.** Implement quality improvement initiatives in public and private health insurance to encourage providers to treat preventable diseases early using evidence-based preventive services.
- **Support state and local public health initiatives to prevent diseases.** Encourage local and state public health agencies to sponsor initiatives to implement evidence-based community programs to prevent disease.

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State Legislative Actions



California: Rewards for Healthy Behaviors Proposed in 2008

The proposed Health Care Security and Cost Reduction Act (Assembly Bill X1 1) promotes prevention, wellness, personal responsibility and health care cost containment. Health plans, private insurers and public programs including California's Medicaid program (Medi-Cal) and state employee program benefits would:

- offer rewards to individuals who meet certain health goals and
- create diabetes, obesity and smoking cessation initiatives.
- http://gov.ca.gov/pdf/press/ABX11_12_17_07.pdf



Connecticut: Charter Oak Plan Makes Preventive Services More Affordable

Senate Bill 1127 (2007) created a private-public partnership, Charter Oak Health Plan and Health Care Access, to offer state-defined benefits through private insurers.

- For adults who do not have insurance through their workplace, the plan provides preventive services at reduced prices and includes assignment to a primary care physician.
- Premium assistance is offered to Medicaid-eligible individuals who have employer-sponsored insurance. These individuals also receive preventive services not covered by the employer plan.
- <http://www.cga.ct.gov/2007/TOB/S/2007SB-01127-R00-SB.htm>



Vermont: Catamount Health Expands Access to Health Insurance

House Bills 851 and 295 (2006) extended affordable insurance coverage to uninsured groups and reduced health care costs through quality improvement initiatives.

- Uninsured individuals who are not eligible for employer-sponsored health insurance are offered the state-sponsored Catamount Health Plan with standard defined benefits.
- Low-income, uninsured Vermonters are offered premium assistance if they are eligible for an employer-sponsored insurance plan or the state's Medicaid program.
- Other components include management of chronic diseases and individual incentives to join health promotion or disease prevention programs such as smoking cessation.
- <http://www.leg.state.vt.us/docs/legdoc.cfm?URL=/docs/2006/acts/ACT191.HTM>
- <http://www.leg.state.vt.us/docs/legdoc.cfm?URL=/docs/2006/acts/ACT190.HTM>



Washington: Chronic Disease Prevention Included in Health Reform Bill

Senate Bill 5930 (2007), based on the governor's 2006 Blue Ribbon Commission, sought to improve quality and reduce health care costs.

- To increase use of preventive services, pay-for-performance provider incentives and chronic disease management are integrated into all state-sponsored health programs.
- Health coverage for dependents extends to age 25 for all state and private insurers.
- Medical homes, which provide comprehensive and preventive care centered on needs of the most costly Medicaid patients, are established.
- <http://apps.leg.wa.gov/billinfo/summary.aspx?bill=5930&year=2007>

References

¹ Schroeder, Steven A. "We Can Do Better—Improving the Health of the American People," *New England Journal of Medicine*, Vol. 357: 1221-1228, September 20, 2007.

² Kaiser Commission on Medicaid and the Uninsured. "Key Facts About Americans Without Health Insurance," October 2007. Accessed from <http://www.kff.org/uninsured/upload/7451-03.pdf> February 7, 2008.

³ Employee Benefit Research Institute estimates from Centers for Medicare and Medicaid Services and U.S. Department of Commerce.

⁴ Milliman, Inc. "Milliman Medical Index," May 2007. Accessed from www.milliman.com/expertise/healthcare/products-tools/mmi/pdfs/milliman-medical-index-2007.pdf

If you would like more information or references:

- Send your inquiry to healthpolicy@csg.org or
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