# MSAs Are The Alternative To HMOs

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Why is the Republican leadership in Congress so strangely silent about the problems with Managed Care and HMOs (Health Maintenance Organizations)? Why is the Republican leadership so lame in its defense of Medical Savings Accounts (MSAs), which are the best way to help Americans avoid all their complaints about HMOs?

When we were fighting the Clinton totalitarian health bill in 1993 and 1994, Republicans were up in arms against Bill and Hillary Clinton's plan to force us all into Managed Care, in which bureaucrats would decide our doctors and treatment. Most Republican Congressmen included Medical Savings Accounts in their 1994 campaign platforms.

In 1993 and 1994, when conventional wisdom said that Clinton's health bill would surely pass, the five largest insurance companies invested heavily in Managed Care. As the national debate went on, they beamed their sales talk directly to corporations and persuaded many to convert their company health insurance to HMOs or some form of Managed Care.

According to the New York Times, 53 million Americans are now in HMOs and another 70 million are in other types of Managed Care plans. Most did not choose these plans; they were put in them by their employers.

It's clear that this has made billions of dollars for HMOs. It's also clear that there is an enormous backlash against HMOs among the millions of individuals who were involuntarily forced into them, but the Republican leadership seems to be turning a deaf ear.

HMOs suffer from a built-in conflict of interest; HMO Gatekeepers and HMO CEOs make more money if they deny your right to see a specialist. That's why opposition to the tactics of the HMOs, and to the windfall profits these tactics produce for HMO CEOs and stockholders, is bubbling over.

At long last, the media (Time, Newsweek, 20/20) are starting to throw the spotlight of publicity on what they are calling HMO "horror stories." Some 400 bills to regulate HMOs practices have been introduced into state legislatures.

The New York Times quoted a surgeon in White Plains, NY, Dr. Carl Weber, as saying, "We believe the whole concept of managed care is spurious. It is predicated on financial incentives to restrict care and access to care."

A Sacramento nurse, Kit Costello, has collected more than 800,000 signatures to put an initiative on the California ballot to restrict the use of financial incentives for denying or delaying appropriate care. She says, "We see the human wreckage every day."

Managed Care has introduced several new words into our vocabulary. A "Gatekeeper" is the primary-care physician you are required to see first, and whose function is to discourage or deny the use of specialists because they are more expensive.

"Capitation" is the practice of paying physicians a set amount (called a capitation fee) for each person who enrolls as their patient. The fewer times a doctor sees you, and the fewer tests he orders, the more profitable a patient you are. Every time you walk into the HMO doctor's office, you are costing him money and cutting into his leisure time.

"Withholds" are the portion of a physician's annual salary that is withheld until the end of the year as an incentive to keep costs below certain targets. Bonuses are frequently paid by the HMO to reward Gatekeepers who keep costs down by not referring patients to specialists.

The Managed Care lobby, reputedly with $9 billion in cash reserves, is the biggest special-interest group lobbying Congress today. The HMO trade group, the American Association of Health Plans, funnels its arguments to both Democrats and Republicans, who then try to tell us that people just love HMOs.

Sheila Burke, Bob Dole's chief of staff and one of the most powerful persons in Washington, played a key role for four years in persuading Republican Senators to cozy up to Managed Care rather than Medical Savings Accounts. Her husband, David Chew, was a vice president and stockholder of Aetna, which is one of the dominant insurance companies dealing in Managed Care.

The billions of dollars of windfall profits in the hands of the Managed Care industry are the best rational explanation for why Republican Congressional leaders in both Houses rarely, if ever, criticize HMOs. This big money is also the best rational explanation for why leading Democrats are launching false and demagogic attacks against MSAs.

The Managed Care profiteers and their political spokesmen understand clearly that MSAs are a threat to HMOs because, if Americans have the freedom to choose the kind of health insurance they want, most will choose the freedom of MSAs rather than subservience to the Gatekeepers of HMOs. The liberal Democrats recognize that MSAs put us on the road to a free-market economy, while HMOs put us on the road to national health care and a planned (socialized) economy.

But where are the Republican leaders with the courage to speak out against the conflicts of interest inherent in HMOs? Where are the Republican leaders determined to pass MSA legislation so we won't all be forced into HMOs?