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Page A-1

## **Shaheen hears HMO reform pleas** Public has chance to weigh governor's Accountability Act

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Physical therapy and drug injections are the two recommended treatments for Paul Martin's chronic disease. After a few physical therapy sessions – the method Martin's doctor prefers – the chronic pain he feels from myofascial pain syndrome eases.

But last October, his health maintenance organization, Healthsource-New Hampshire, said physical therapy isn't covered for long term illnesses. The pain is now so bad, he can barely sleep. And because he can't sleep, he can barely work as a guidance counselor.

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- Alan Freeman,  
the New Hampshire  
medical director for  
Harvard Pilgrim Health Care

Martin doesn't believe anything in his insurance policy excludes him from getting physical therapy. “I never had long-term therapy. I get physical therapy when I really need it,” he said – generally a few sessions at a time, at most eight to 10 a year.

Is it fair that a man who sprains his ankle can get physical therapy, while he would probably recover fine without it, Martin said, while he can't get it and it's one of the few things that keep him functioning?

In what has become a ritual nationally, Martin and others told their HMO horror stories to New Hampshire state lawmakers yesterday while managed care providers attempted to defend the level of care they give and stave off additional government regulations.

The occasion was a hearing on Gov. Jeanne Shaheen's proposed HMO Accountability Act, and it drew more than 100 people: residents with dramatic life-and-death stories to relate, medical professionals with tales of bureaucratic frustration and lots and lots of lobbyists.

"For many people in managed care, HMOs work fine. And the concept behind managed care still makes sense, that we provide preventive care, and we provide health care at a reasonable cost," Shaheen told the committee. "But for those with serious health conditions, for the chronically ill, for people with disabilities and serious mental illness, HMOs sometimes don't provide the medical treatment that those people need."

Shaheen has proposed HMO reform that would do the following:

- Establish an independent appeal process for patients denied coverage by their HMOs for treatments they believe are medically necessary.
- Require HMO medical directors to be physicians licensed in New Hampshire and subject to discipline by the state Board of Registration in Medicine.
- Make HMO medical directors responsible through the medical board for decisions to limit or deny medically necessary treatment.
- Require HMOs to tell consumers who made the decision to deny or limit treatment.

See **SHAHEEN – Page A-6**

### **SHAHEEN Continued from Page A - 1**

- Require HMOs to disclose their financial arrangements with doctors and other medical providers.
- Ban financial arrangements between HMOs and physicians that provide incentives for doctors to limit or deny medically necessary treatment.

Mental health care providers have been among those screaming the loudest about managed care's restrictions. Dr. Michael Kandle of the New Hampshire Mental Health Coalition, for instance, said managed care companies prefer drugs to therapy. Some companies' standards say a major depressive disorder should be treated in four sessions, too little time, he said. Patients, who are often in fragile conditions to begin with, end up in long battles to get their HMOs to do more.

The act would add about 10 cents per month – although the industry estimates are higher – to the average insurance premium, Shaheen said, a cost she believes most people are willing to pay for added protection.

"I believe people should know they are going to be able to get the health care coverage they need and also that doctors should know that they can provide the kind of health care to their patients they want to provide without being concerned that they area being pressured to maximize profits," Shaheen said.

Senate President Junie Blaisdell, one of the bill's sponsors, agreed. " I think New Hampshire patients need to know they'll get the kind of health care they need and the kind of health care they pay for," he said.

When he worked for Seminal Point Hospital, Blaisdell said, he would have patients sitting in front of him who needed treatment for drug or alcohol abuse, only to have an HMO located out-of-state tell him that patients were not eligible or didn't need the care.

"It is my opinion they were making medical decisions they were not capable of making and not trained to make," Blaisdell said.

HMO representatives warned that the legislation could ruin what works about HMOs.

There is little opposition to the independent appeals process – something some companies do already and which they will have to do by the year 2000 to be accredited.

But Dr. Dick Salmon, Healthsource's president, said that eight years ago the biggest issue was providing affordable health care, something HMOs were able to help to. (sic)

"The affordability of health care is again an issue," he said, and making medical directors liable could mean lawsuits and increased health care costs, (sic)

Decisions by medical directors are rarely arbitrary and not made by unqualified people despite popular perception, Salmon said.

"The major concern," said Dr. Alan Freeman, the New Hampshire medical director for Harvard Pilgrim Health Care, a non-profit managed care company, "is making the medical director liable. That's a back-door way of making the (HMO) liable." It won't improve health care, but will provide another way for lawyers to get rich, he said.

"We're very empathic with" those who feel wronged by their HMOs, Freeman said, "but what we are trying to do is look at the health of a bigger population." For most people, managed care works for people.

"We are trying to provide the best care we can with the money we have available," he said.

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