(Music)

Mark Masselli: This is Conversations on Health Care. I am Mark Masselli.

Margaret Flinter: And I am Margaret Flinter.

Mark Masselli: Well Margaret, summer is efficiently underway with the passing of Memorial Day. We had a great march here in Middletown's Memorial Day Parade and it's a time to honor the great sacrifices that our listed men and women had made for this country.

Margaret Flinter: That's right, Mark. So many soldiers, both men and women have paid the ultimate sacrifice with their lives and also just the long separations from their families, and now, of course, understanding the lifelong health consequences as a result of their service. We owe these soldiers and their families a huge depth of gratitude.

Mark Masselli: And the Obama Administration has reiterated a commitment to providing all returning soldiers access to health care they need to get back on their feet upon returning to civilian life.

Margaret Flinter: And a lot of that is going to be in the form of research that's being done in the population to help people deal with issues like PTSD and find new treatment modalities. Many health care centers and teaching hospitals are expanding those assistance to these returning soldiers. So the medical community will learn much and hopefully will give much to this population.

Mark Masselli: On another impressing topic, we are waiting to learn the decision from the Supreme Court on the Affordable Care Act. Hopefully, we will be hearing about that in the next week or so. And already politicians are joking for position on what might happen next with the Health Care Reform Law.

Margaret Flinter: And whatever the Supreme Court decides, Mark, the GOP is vowing to averse the entire act if they can. But voters seem pretty supportive of several of the provisions on the law, including that provision that allows young adults to stay under parents' policies until the age of 26 and of course, the whole issue of preexisting condition, particularly, if you are somebody who has suffered under it, remains very front and center, I think, in a lot of people's minds.

Mark Masselli: Now, some within the Republican Delegation in Congress have suggested that they would be willing to support at least some of the popular provisions of the Affordable Care Act but that seminal was quickly encountered by the Speaker of the House, John Boehner, who said Republicans would fight to eliminate the entire Affordable Care Act and there would be no compromise. So still a lot of political wrangling over this issue.

Margaret Flinter: A lot of politics, a lot of posturing, and meanwhile, we will have to wait and see what the Supreme Court decides and then, we will see what the legality of the Affordable Care Act turns out to be.

Mark Masselli: As for the health insurance industry, our guest today has done quite lot of research on trends there. Dr. Amelia Haviland is the Senior Statistician with the RAND Corporation, an independent non-profit organization that conducts research in a wide variety of disciplines regarding heath care, offering significant scientific analysis for policy decisions.

Margaret Flinter: Dr. Haviland has been analyzing the rapid growth of high-deductible insurance plans. Those are the plans that provide a lower cost health care option and exchange for a more upfront out-of-pocket cost. The plans are getting favor with employers as a cost saving measure in providing health care coverage and with some consumers as offering more choice. Her research though has also shown a clear link between these plans and people sometimes forgoing necessary medical care due to cost. That wouldn't be a promising trend, Mark.

Mark Masselli: I hope it really wouldn't, Margaret. She also shares some interesting data on health care disparities among different ethnic groups.

Margaret Flinter: And this week, FactCheck.org's Lori Robertson looks at campaign claims on the Affordable Care Act's lifelong impact on the life of a typical American woman. But no matter what the topic, you can access all of our shows by Googling www.chcradio.com.

Mark Masselli: And as always if you have comments, e-mail us at www.chcradio.com, we would love to hear from you. We will get to Dr. Amelia Haviland in just a moment, but first, here is our producer, Marianne O'Hare, with this week's Headline News.

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Marianne O'Hare: I am Marianne O'Hare with this Headline News. Memorial Day has passed with some alarming statistics regarding 1.6 million veterans from the post 9/11 wars. Nearly 50% of those vets returning from the frontier are applying for some kind of visibility suffering from a broad range of disfiguring and depilating injuries as well as a significant portion of the vet population suffering from the effects of Post Traumatic Stress Disorder. That compares with 21% of veterans from the Gulf War.

Certain numbers of Congress are not idly awaiting the upcoming Supreme Court decision on the legality of the Affordable Care Act. The House has two majors queuing up for a vote that would appeal parts of the act as it stands now. One

bill from Majority Leader, Virginia Republican, Eric Cantor, would repeal the laws tax on medial devices. The first bill would come before the house for vote in June 4th.

Some good news from the diabetes epidemic front, the Centers for Disease Control has released a report that Type 2 diabetes death rates are down sharply from the late 1990s, cardiac death down 40% among diabetics from the same population in 1998. And overall diabetic deaths are down 23%.

And how does your garden grow? First lady Michelle Obama has revealed her gardening tips and those who are the experts in a book just released this week, "American Grown: The Story of the White House Kitchen Garden." This is a part of Mrs. Obama intent to get our nation fit, moving, and eating healthy, to combat obesity. She details plans and programs for communities and local governments to get involved. I am Marianne O'Hare with this Headline News.

(Music)

Mark Masselli: Today, we are speaking with Dr. Amelia Haviland, Professor of Statistics and Public Policy at Carnegie Mellon University and Senior Statistician for the RAND Corporation, a non-profit organization that seeks to improve public policy and decision making through unbiased research and analysis. Dr. Haviland, welcome to Conversations on Health Care.

Dr. Amelia Haviland: Thank you Mark and thank you for inviting me to talk with you all today.

Mark Masselli: You are a statistician for RAND Health and during the past few years, you have been focusing a lot of attention on the health insurance industry, specifically on the growing consumer directed insurance market; the high-deductible plans that offer a lower cost option for insurance premiums usually in conjunction with personal health savings accounts. We just read with great interest your article in health affairs, this month's health affairs, on how these plans are taking over the private insurance market. Now, you indicate a projected growth in popularity is probably to save around $60 billion a year in health care cost. Could you first describe for us what's driving the huge increase in the numbers of Americans in enrolling in high-deductible, consumer directed health plans and why are they so popular with both employers and employees?

Dr. Amelia Haviland: Sure. The main driving force around it is that they have lower premium. So these plans basically trade off a higher deductible that patients save, usually earlier in the year with a lower premium that can protect an amount of people's paycheck month by month or week by week. And because of the continuing cost pressures that are imposed because heath care cost growth has been so stiff over the last several decades really. And that combined with the recession, I mean that a lot of people are looking to plans like this to try to reduce

their monthly expenses. They have been more popular for a while for with small employers where it's typically a real challenge to offer health insurance, and so the lower premiums mean that it's more affordable for the employer and the employee. But we are seeing a lot of growth in the large employer market where we think it's those cost pressures that are making employers offer them and making employees enroll in them.

Margaret Flinter: Dr. Haviland, your findings come with a bit of a cautionary tale. You have told us about why the consumer directed health insurance plans show that potential and the actuality of savings, but perhaps at a price, because the analysis has also shown over time that while the plans certainly do indeed lead to a fewer unnecessary tests and less overuse of health care, many consumers with these plans also may be forgoing necessary screenings and even treatments because of the cost which, of course, contributes to cost savings that may be also leads to a poorer health outcome. Tell us about the downside of your findings that the high-deductible plans are generating.

Dr. Amelia Haviland: Margaret, these plans place all the responsibility for making decisions about what care to get and what care to forgo on patients. These are the decisions that nobody wants to make. We don't want the government to make those decisions for us. We don't want insurance companies to make those decisions for us. And instead what these plans do is they put all that responsibilities on patients. And those are complex decisions to make. There are a number of American families who when faced with paying their deductible are constraint, are cash constraint around it. There are huge challenges to trying to price shop in health care, so the prices are not transparent. Quality is hard to get information on. It can be a great challenge for most people. And we do find that there are reductions. And this is the big cautionary note in our findings as that there are, not large reductions but moderate reductions in all six of those specific recommended preventive care that we look at and they want it big but that's the wrong direction.

Mark Masselli: So unravel it if you will for us. You indicated patients have skin in the game. They are more likely to be cautious about the types of procedures and care that they access and I think that RAND has done sort of a seminal study back in 1971 following consumer for over a decade on health care usage and it sort of came up with the same cautionary note. So from your vantage point, what sort of policies do you believe would best address the concerns of patients putting off this necessary care?

Dr. Amelia Haviland: We were really interested to compare our results to that gold standard, which is what the RAND Health Insurance Experiment has been. Basically all of the research that's been done **sometimes** has just confirmed a finding that when people – when patients experience greater cost sharing that they do cut care but that they cut it across the board, but instead they cut everything they can think of the cut. Now, the employers really tell us how hard it

is to communicate with employees about the features of their plans and some of the details of obtaining care and the story that we tell with this plan is as it's true for all health pans now, through the Affordable Care Act but these health plans were doing at all along is that preventive care was covered with First Dollar Coverage, the deductible didn't apply. And that's how they were trying to work the incentives. So they wanted there to be an incentive to get that care, the preventive care because it was covered but to have some caution about other care. And people don't understand that that care is covered. There was a nice other study in health affairs where some researchers called people on the phone and asked them what is your deductible cover and not cover? And people have no idea. It's just too much to keep track of about plans.

Margaret Flinter: Dr. Haviland, insuring the uninsured those tens of millions of Americans is obviously one of the chief goals of the Affordable Care Act, but I am particularly interested in how you foresee the consumer directed high deductible plans fitting in the state health insurance exchanges. In particular, is there advice that you would have the – for the exchanges and the states, as they set them up, on how they are going to educate consumers to choose wisely which type of policy?

Dr. Amelia Haviland: We have been looking about – a lot of our studies focus on the employer sponsored insurance market because it's where there is data, with nobody quite knows what's going to happen on the exchanges yet, but the thing that is fair is that if the exchanges go up, that these plans are going to be offered. There has been support on both sides of the isle for that. And that they are likely to be quite popular. The things that people need to consider that it would be good to consider when choosing a plan is not just a premium typically people think about the premium only once a year when they choose a plan. And then, it's – people don't think about it very much because the second hour is their paycheck. It's something that it becomes invisible. But the thing that can pop up at any time is that deductible and the out-of-pocket max.

So the three things to really pay attention to are the deductible amount and whether you as a family have enough resources to cover that whole deductible if they were to come up at once. And people who run some analysis find that there are people with different health histories for whom these plans can make sense. So there tends to be some selection of people who are healthier join these plans and the health savings accounts that's associated with these plans can be a nice savings mechanism for them. But it also can be true that those who have ongoing chronic health concerns that these plans can be a better value if they know that they are going to have to cover their deductible every year and they can handle that.

Mark Masselli: We are speaking today with Dr. Amelia Haviland, the Senior Statistician with the RAND Corporation, specifically RAND Health, an independent non-profit organization which seeks to guide public policy. Dr.

Haviland, you have also spent time analyzing how information technology is changing the way. Consumers educate themselves about real cost of health care procedures so they can hopefully make more informed choices. And it actually leads to more shopping around for health care consumers which I imagine is leading to some of these cost savings you have been writing about. But there is a lot of concern as you mentioned earlier about the lack of transparency in health care cost. So what's been done to address transparency and how is technology helping at – I guess the question is, is there an app for that? And what other ways is information technology helping with cost containment?

Dr. Amelia Haviland: This is a really hot topic right now. There are now, I think, three of the major health insurers who put out an app for that. Where what they are about is that it gives the enrollees some kind of information about usually where providers are, whether they are in the network or not, and some kind of usually rather big information about price. And then, some of it is only the insurers who can do that, because they are negotiating the price so they are the ones who know. The other direction that states have gone is to require price transparency information to be public, where it is often a hospital level where they are requiring hospitals to post their prices.

One of the things that we found that was actually different which relates to those from the RAND Health Insurance Experiment is the RAND Health Insurance Experiment found, and many other studies find out, with greater cost sharing people just cut initiating care. So they quit going to the doctor for something. But at once, they went to the doctor, the cost were just the same. And we assume that that – the first time that that – it looks like a changing is that about two thirds of the savings we found were for the same reason. People were initiating fewer episodes of care. But a whole third of it was because the cost within episodes of care was lower for people in these consumer directed plans than in traditional plans, which suggests that people are more engaged once they are involved with receiving care. For the first time, we are saying that people are managing to reduce quantity or prices. And there is a lot of complexity in there, remaining to figure out, are they making the best choices? Are they making clinically sensible choices?

Margaret Flinter: Dr. Haviland, I would think that one of the kind of obvious paces where consumers might vow differently with their feet on the basis of these plans would be in the choice to go to primary care office, to the emergency room to the retail clinic, may be particularly the emergency room, and the retail clinic because of the obvious huge gaps in price there, and the fact that prices are pre-published in the retailer convenience clinics. Have you done any research in that area or has that been born out in any way?

Dr. Amelia Haviland: It's hard for us to attract the retail clinics. RAND Health has done some really great work on the retail clinics and they are seeing a lot of

growth. And it was interesting to us that we looked at the emergency room care, that's the one place that we don't see much change because of exactly there is – there is big price consequences for going to the emergency room in most cases. That was one of the places where we thought there might be some unintended consequences. We didn't get statistically significant increases in the emergency room use but that was the one place where we did see that that use actually went up, which is again on a cautionary side.

Mark Masselli: Dr. Haviland, we have had a lot of guests on our show focuses and on trying to prevent system failures and errors in the health care system, and your team, recently analyzed the impact of Patient Safety and Quality Improvement Act of 2005, which call for more rigorous reporting of adverse medical incidence and this year, you also published a study in the American Journal of Medical Quality and looking at patient safety events in hospitals across the country. Tell us about your most recent findings in the area of quality in patient safety and your recommendations in how health care organization can reduce these medical mistakes.

Dr. Amelia Haviland: One of the projects that's active right now actually comes directly out of one of President Obama's first speeches for the country where he was interested in trying to look at connecting patient safety rates with medical malpractice and the team at RAND that I worked with on this is evaluating the pilot projects that came out of his recommendations, which follows on actually some works that we were doing, where we found in California, that if you look over a five-year-period, that county is in California that lowered their incidences of patient safety events had fewer medical malpractice cases, which skews a different kind of incentive to providers. I mean, providers absolutely want to avoid making any errors. But there are lots of people involved in a hospital, and it gives hospitals a really different kind of incentive.

I think, well, we get lower malpractice liability risk, if we can get these numbers down, in addition to just providing a better environment for everybody. And so, there is some very interesting projects going on now that have systems where they are helping hospitals in particular to set up systems that support the medical providers who are involved if there is a safety incident because there is a (17:56 Inaudible) on those people as well, and to have the hospital talk with the patient and their family and to discuss what the error was, and to offer compensation upfront, and try to take it outside of the legal system.

Margaret Flinter: That certainly seems to be becoming the new cultural norm in American health care. Dr. Havialnd, one topic that the RAND team has analyzed and investigated at length is racial and ethnic disparities in health care. I know you did a recent study looking at the disparity on really just a very simple issue between Hispanic and White seniors in the rates in which they receive the flu and the pneumonia vaccinations and you still found significant variations. Tell us

about that and how does that lead to policy directives from RAND to the country's policy makers.

Dr. Amelia Haviland: There are a couple of simple outcomes about flu and pneumonia vaccinations and we were looking at the Medicare population where there are really clear recommendations for folks over the age of 65 are getting annual flu vaccinations and getting at least one pneumonia vaccination, once reaching the age of 65. And there are also other health complications for seniors that are associated with both the flu and pneumonia. And there are massive disparities for a number of Hispanic and Latino seniors in the last compared with similar white seniors. There are also disparities for African American seniors but especially for the Hispanic seniors that were Spanish as their preferred language, and where there is not a long standing Hispanic community around them, where there can be gaps especially on the pneumonia vaccination that are 40 percentage points something like that, just massive gaps. And so I think it suggests that we have a lot of good information about targeting areas where this is a much more serious problem than other areas and it should help with making efforts that can really hound in on areas where these numbers need to go up.

Mark Masselli: Dr. Haviland, we like to ask all of our guests this final question. When you look around the country and the world, what do you see in terms of innovation and who should our listeners at Conversations be keeping an eye on?

Dr. Amelia Haviland: Oh, RAND.

Mark Masselli: Good answer.

Dr. Amelia Haviland: There is a lot for us learn from other places and other systems. And there is a lot for us to learn I think on technology from developing counties because they both are – there is wide coverage of good technology here in the US, but there are also are substantial population that have much less access to technology. And so thinking about how technology process are actually working in some developing countries, can be also quite useful to us here.

Margaret Flinter: We have been speaking today with Dr. Amelia Haviland, Senior Statistician at the RAND Corporation, an independent non-profit research organization that seeks to improve public policy and decision making though unbiased research and analysis. Dr. Haviland, thank you so much for joining us today on Conversations.

Dr. Amelia Haviland: Thank you for having me.

(Music)

Mark Masselli: At Conversations on Health Care, we want our audience to be truly in the know when it comes to the facts about health care reform and policy. Lori Robertson is an award-winning Journalist and Managing Editor of FactCheck.org, a nonpartisan, nonprofit consumer advocate for voters that aim to reduce the level of deception in US politics. Lori, what have you got for us this week?

Lori Robertson: Well, Mark and Margaret, we looked at a slideshow that President Obama's campaign put together, called "Life of Julia". It's a cartoon drawing slideshow of a fictitious woman's life, that's Julia, from age three through 67. And it claims that her life would be better under Obama's policy than those of Mitt Romney. But it makes a few exaggerations when it comes to the Federal Health Care Law. It shows that Julia as a 22 year old college student, who needs surgery that is covered, thanks to the Health Care Law's provision that keeps her on her parents insurance.

Now, it's true that the law required insurance companies to keep children on parents' insurance up to age 26. But as a college student, Julia probably would have been covered anyway. 37 states already had similar mandates on the books. In the 2008 report from the Kaiser Family Foundation, it found that 18% of full-time students lack health insurance. So the vast majority were covered. Also the slide shows that Julia's maternal checkups, when she is pregnant at age 31, were covered due to the Health Care Law. But she probably would have received such coverage anyway. Julia was a full-time worker according to the slideshow and 85% of full-time workers have health insurance now.

In 1978, Federal Law requires that employers provided insurance cover pregnancy-related expenses. And that's our fact-check for this week. I am Lori Robertson, Managing Editor of FactCheck.org.

Margaret Flinter: FactCheck.org is committed to factual accuracy from the country's major political players and is a project of the Annenberg Public Policy Center at the University of Pennsylvania. If you have a fact that you would like checked, email us at www.chcradio.com. We will have FactCheck.org's Lori Robertson check it out for you here on Conversations on Health Care.

(Music)

Mark Masselli: Each week, Conversations highlights a bright idea about how to make wellness a part of our communities and everyday lives.

Margaret Flinter: When California designer and entrepreneur Mick Ebeling met a well-known street artist who went by the name of 'Tempt', the artist was already suffering from advanced ALS, completely paralyzed, except for his eyes. Tempt never dreamed that he would be able to create art again. Unable to speak, his brightest hope was to be able to talk with his family somehow. Ebeling, raised in

a family of philanthropist and entrepreneurs, became inspired to help Tempt. He formed the notimpossiblefoundation.org and assembled a team of designers, hackers, artists, inventors, and engineers. They use only open source science and technology. They bought inexpensive sunglasses from Venice Beach and various other parts from Home Depot. They hacked basic camera technology, mounting the camera lens on the cheap glasses to track eye movements.

Within just two weeks, they had a simple solution to Tempt's dilemma, "the EyeWriter", an eye glass frame mounted camera that tracts eye movements and allows the wearer to write, to communicate, even to create art, simply with the movement of their eye. The EyeWriter was recognized by Time Magazine as one of the top 50 inventions of 2010, and has gone on to inspire more sophisticated offshoots that will allow those who are paralyzed to communicate using a simple inexpensive device. The Not Impossible Foundation forming a team of creative thinkers to group hack a simple solution to a real patient problem creating a meaningful device that can change their lives, now, that's a bright idea.

(Music)

Margaret Flinter: This is Conversations on Health Care. I am Margaret Flinter.

Mark Masselli: And I am Mark Masselli, peace and health.

Conversations on Health Care, broadcast from the campus of Wesleyan University at WESU, streaming live at www.wesufm.org and brought to you by the Community Health Center.