

HMO reform gets crucial House backing

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The tide has turned in favor of Arizona health maintenance organization reform following the recent passage of a comprehensive patient-protection package in California, state and local reform advocates said Friday.

A coalition of state lawmakers is now drafting legislation that could:

- Allow Arizona residents to sue their HMOs over malpractice claims.

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■ Stop HMOs from offering financial incentives that encourage doctors to contain costs and skimp on medical service.

■ Ensure "continuity of care,"

meaning patients could get treatment from the same doctor if their employers change plans.

This year's HMO measure failed in the Arizona Legislature by a single House vote.

Earlier this week, California Gov. Gray Davis signed bills giving residents more control over their healthcare options, including the right to sue their

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Jeff Grocos
House speaker says some HMO reform is certain during the 2000 legislative session.

HMO complaints

The 10 health maintenance organizations with the most complaints, according to the Arizona Department of Insurance.

HMO	Members	Complaints	Complaints/ thousand members
Health Plan of Nevada	5,334	3	.562
Aetna U.S. Healthcare	68,209	36	.528
Pacificare	195,226	95	.487
Humana Health Plan	45,893	21	.458
Premier Healthcare	58,596	22	.375
Intergroup	336,072	122	.363
United Healthcare	79,772	24	.301
Cigna Healthcare	383,134	70	.183
Healthpartners Health Plans	311,509	54	.173
Blue Cross/Blue Shield	597,741	97	.162

HMO: Advocates hope for reform

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HMOs. It also makes HMOs more accountable for treatment decisions and boosts consumer privacy protections.

The landmark California legislation also mandates coverage of mental-illness care, diabetes help, birth control pills and cancer screening.

"We're hoping the enlightenment will travel over the Colorado River," said Alan Immerman of Paradise Valley, president of the Independent Chiropractic Physicians and an HMO reform advocate.

"There is going to be a major HMO bill that is going to pass the House next year," he predicted. "And in the Senate this year, the bill passed 20-9. We've got a better shot this time than last time."

The U.S. managed-care industry, already bracing for an imminent legal assault from the nation's trial lawyers, suffered another blow Thursday when the Illinois Supreme Court affirmed the rights of patients in that state to sue HMOs over alleged malpractice.

Texas, Missouri and Georgia also have HMO regulations on the books.

State House Speaker Jeff Grosco, R-Mesa, said some HMO reform is a certainty during the 2000 legislative session, although he suggested Arizona likely will not go as far as California in reining in the managed-care industry.

This year's bill died in the House only because three supporters were missing from the state Capitol that day.

"I think everybody understands that this is going to pass, and for that reason, we have had a lot of interest in working out the disagreements," Grosco

said. "(The goal is) a bill that fixes the problems of our constituents while not creating additional problems."

Grosco plans to demand a bill that gives HMO doctors more autonomy in prescribing medicine and deciding what medical procedures a patient needs. He said the legislation also would have to improve HMO patients' access to specialists and mandate that denials of treatment be considered by an HMO's medical professionals, not its accountants.

Grosco also said he doesn't consider the right to sue HMOs an absolute must in Arizona.

Another state lawmaker is suggesting that legislative hearings be held on the HMOs.

"HMO reform is long overdue," said Sen. Tom Freestone, R-Mesa. "Not only that, there needs to be investigations (into the HMO industry). Anybody who's ever dealt with an HMO just gets infuriated."

HMO lobbyists and their allies already are mobilizing at the Capitol to ensure a reasonable compromise.

"Every HMO in the state has been working... to try to fashion a package of reforms," said Kevin DeMenna, a lobbyist for Hartford, Conn.-based Aetna, the nation's largest health insurer. "There's nothing too inventive. It's just trying to do what's been out on the table, and do it right."

This year's failed "Patients' Protection Act," was considered by some to be an "anti-business" proposal that would have hiked the state's health insurance premiums by 25 percent to 30 percent, said Tim Lawless, president of the Arizona Chamber of Commerce.

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