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Statistics show Indiana health costs rise exponentially

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Local executive offers sobering look at reform

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Business leaders who crowded into the Medical Arts Conference room at Intelliplex on Wednesday were there to find more about the effects on their businesses of the federal health care reform bill that was recently signed into law by President Barack Obama.

Sponsored by the Major Hospital Foundation, the featured speaker was Jack Horner, president and chief executive of Major Health Partners. Long before the media began a blitz of information on the reform bill, Horner was immersed in a major question that produced the legislation: How can America control burgeoning health care costs that are stressing the national economy to the breaking point?

According to Horner, out-of-control health care costs are "a significant threat to our middle-class citizens, our near poor and our existing Indiana business community."

Many in the audience were unpleasantly surprised to hear that Indiana ranks No. 1 nationally in bankruptcies caused by overwhelming medical bills while the percentage of employer-sponsored health coverage is dropping.

Indiana also spends a greater proportion of its wealth on health care, and the expense is growing faster than any other Great Lakes state, even though Indiana's median family income is 6 percent lower. Between 2000 and 2008, Indiana health premium costs actually increased by 84 percent — fourth worst in the nation.

Horner added to this sobering list of facts that Indiana currently has approximately 701,000 adults and 159,000 children who are uninsured. He said that politically, the bill was framed as a way to provide health care for uninsured Americans, but he pointed out that this was only one motivation for the new law.

Horner said that simplifying the bill to a way of providing insurance for the uninsured "leaves the wasteful, inefficient insurance and delivery systems off the hook and risks the economic prosperity of our local communities, the state and the nation."

He estimated that the health care reform bill will provide health insurance coverage to between 3,500 and 4,000 Shelby County residents who are currently uninsured.

Although quick to point out flaws he sees in the Health Care Reform bill as passed, Horner is equally quick to admit that he welcomes some of the changes in the bill at the same time he worries about its effect on the hospital. He called the health care system "obsolete," saying that it is "fragmented, autonomous and largely unaccountable" with too little emphasis on prevention and personal responsibility.

Horner said the bill hopes to control the overuse of doctor visits, procedures and tests that result in little or no benefit to patients.

Since the current system rewards doctors and hospitals for tests and elective procedures, and Americans are constantly asking for more of them, Horner said the industry has not had the incentive to control the overindulgence. He added that America's health care system "has developed in a system that treats, not prevents, chronic disease."

For example, he said the hospital conducted 9,000 expensive CT scans in 2009, a very large number for a community of Shelbyville's size.

"Are we willing to change our expectations of health care on demand, 24/7?" Horner asked.

Greg Smith, owner of Morristown Manor, a long-term health care facility and rehabilitation center, said the reform bill is confusing to those involved in the health care field.

"Even for us it is overwhelming," Smith said. "I think that is why there were so few questions at the end of the presentation. People were still trying to take it all in."

Smith noted that Horner's comments about the differences the legislation will make in health care delivery is likely to bring more resistance from the American public since lifestyles are so difficult to change. However, he believes that if even 1 percent of people decide to live a healthier life because of concern about the costs of health care, it is a step in the right direction.

"Horner's point was well taken that everyone needs to get involved and take ownership of their health care," Smith said. "This could well push people to be more responsible about their own health."

Many of the Health Care Reform bill's mandates won't take effect until 2014, but some of the business owners present at Wednesday's meeting already are trying to plan ahead. Dennis Baker, owner of Builders Lumber and Hardware with 16 employees, said some of the insurance options offered by the reform bill could actually save him money through cheaper premiums and tax incentives.

In 2010, employers with less than 25 employees can take advantage of tax credits of up to 35 percent of premium costs for employees. As an alternative to dealing with large private insurance companies, state-based programs will allow businesses with up to 100 employees and individuals to purchase insurance from nonprofit companies and cooperatives.

"This information will give me some good information to sit down and talk with my health care provider about," Baker said. "It could actually help my bottom line."

Michael Neice, an insurance broker with Acorn Solutions in Shelbyville, said he is pleased with the overall picture of how the health care reform bill will change his industry. He is especially happy that the bill will force large insurance companies to operate more efficiently and competitively.

"People don't like change, but there is no reason to be afraid," Neice said. "Everyone will have a hand in helping to control escalating health care costs."

Wednesday's meeting is one of a series of roundtable discussions planned by Major Hospital Foundation, the charitable arm of the hospital, to explore topics of concern and provide information about the foundation.

Angela Gill, executive director of the foundation, said Horner's presentation was very useful to people at the meeting.

"I think it really helped a lot of people understand some of the changes in health care that we're all going to see, and the crowd really connected with it," she said.

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