

Health plan eases doctor oversight

Insurer says managed care's restrictions are not working

By Julie Appleby
USA TODAY

The doctor really does know best, the nation's second-largest health insurer said Monday.

From now on, United Healthcare says, it no longer will require doctors to get permission before performing expensive tests or admitting patients to hospitals.

The decision moves United Healthcare to the forefront of a trend to loosen managed care's restrictions, which have fostered discontent among physicians and patients even as they helped control rising costs.

The company says oversight of doctors and medical procedures, which the industry relied upon for years to save money, is not working. It says such oversight costs more money in paperwork than it saves and does little to coordinate care.

"I think we'll improve the health care experience for our members and we'll restore the joy to the profession," says Archelle Georgiou, chief medical officer for United Healthcare.

But whether better care and lower costs play out remains to be seen. Some experts say health plan oversight of doctors can protect patients from unnecessary or dangerous care. Others say restrictions have harmed patients.

United's competitors are certain to monitor the move closely, as will employers who pay the bills for health care. Loosening restrictions could fuel premium increases, some fear.

United Healthcare, and some medical groups with which it contracts, still will call the shots on certain disputes over coverage decisions.

"This is not an open door to practice experimental procedures," says Jay Silverstein, chief marketing officer of Minneapolis-based United.

United says it tested the program for more than two years in Tampa, Miami, Chicago and other cities before rolling it out to its 14.5 million customers in 30 states this month.

The decision comes as the industry remains under attack by lawmakers, lawyers and disgruntled doctors. Some consumer groups and doctors are calling on other health plans to follow United's example.

"Physicians should not have to battle insurance companies to do what is best for their patients," says Thomas Reardon, president of the American Medical Association.

No retreat

Microsoft ↓ 1% to \$90

Sun ↑ 2 1/4 to \$111 3/8

AOL ↑ 3 1/4 to \$149 3/4

Red Hat ↑ 16 3/8 to \$102 1/2

E.piphany ↑ 39 1/16 to \$120 1/8

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Unfazed Nasdaq hits a new high

By David Rynecki
USA TODAY

NEW YORK — The Nasdaq composite surged to its seventh-straight record Monday as investors shrugged off worries about Microsoft's legal struggle with the government.

Analysts had expected the technology-driven Nasdaq and the Dow Jones industrial average, which both include Microsoft, to stumble in the first trading session after a federal judge ruled that Microsoft is a monopoly. The case, one of the biggest antitrust battles in U.S. history, could lead to severe penalties or even the breakup of the software giant.

But instead of falling victim to the stock market's worst fears about one of Wall Street's great performers of the last decade, Microsoft slipped just 1% to \$90 even as rival firms rallied. That ho-hum reaction allowed the Nasdaq to rise 41.68 points to 3143.97.

"Investors know that this case is going to go on for a long time," says Jim Paulsen, chief investment officer at Wells Capital Management. Says Bob Robbins at Robinson-Humphrey, "This is a testament to the strength of Microsoft and the tech sector."

Such resilience underscored the power of the latest leg of the tech run. After slumbering through much of September and October, the Nasdaq has gained 9.3% in the past seven sessions and 18% since Oct. 18.

Robbins attributes the Nasdaq's ability to continually find new life to fundamental changes in industries driven by the Internet. But another factor is at work. Monday's jump was at least partly in relief that Microsoft competitors can relax.

Among the biggest gainers: Sun Microsystems, up 2 1/4 to \$111 3/8; America Online, up 3/4 to \$149 3/4; operating system distributor Red Hat, up 16 3/8 to \$102 1/2; and software maker