

Insurers' group wins praise with a frank 'call to action'

By Julie Appleby
USA TODAY

IT A major health industry move is winning cautious praise, even from some staunch HMO critics, for admitting that industry practices contributed to the managed-care backlash.

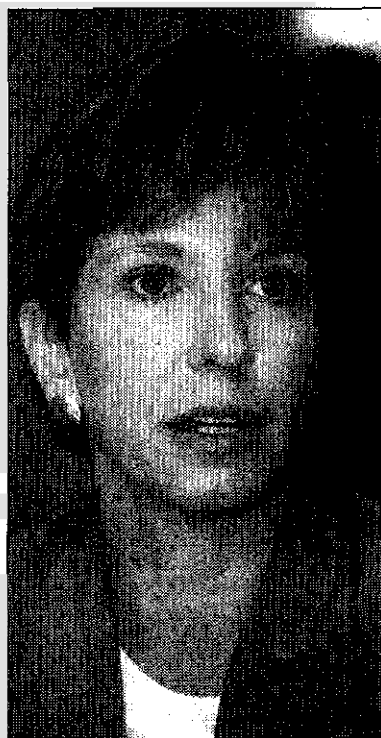
The group's move is the latest surprise in a month that first saw the nation's second-largest insurer, United-Health Group, drop rules requiring doctors to get permission for tests, procedures and hospitalizations.

In a confidential memo sent recently to top health-plan executives, the American Association of Health Plans said public opinion is shaped by the industry's business practices, some of which might need to change. The memo also said insurers need to do a better job of explaining changes already made in response to public dissatisfaction.

Doctors, policy experts and patients' advocates praised the trade group for sending the memo, calling it a significant step for an industry that has often blamed others for its problems.

"It's admitting that the industry's image problems are related to some actual practices, rather than just arguing that it was unfair publicity," said Robert Blendon, professor of health policy at Harvard University.

The memo, sent to 1,000 health-



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Ignagni: Insurance industry showing 'a significant evolution toward quality'

plan leaders, "is a call to action," said Karen Ignagni, the trade group's president.

The memo emphasized actions

that Ignagni said insurers already have taken to mollify disgruntled patients, doctors and lawmakers. Those include disavowing "gag clauses" against doctors, streamlining appeals and making it easier for patients to get referrals to specialists. It urged health insurers to make and publicize additional changes.

"What we're seeing with Ignagni is a significant evolution toward quality and disease management being the focus of what health plans do," Ignagni said.

Several health-industry insiders said they welcomed the effort by the trade group but expressed caution: Significant changes haven't yet been noted, and many doctors, patients and policy experts are waiting to see how UnitedHealth's decision and the trade group's lobbying play out.

The "top of the pudding is in the eating," said Whitney Addington, president of the American College of Physicians/American Society of Internal Medicine. "Let's see what happens."

Even so, practitioners in some unexpected corners

"The industry is encouraging genuine measures to restore public confidence," said HMO critic Jamie Court of Consumers for Quality Care. "At least the industry now believes it has something to prove to the public, rather than simply being interested in proving to Wall Street that it can limit costs and make a profit."