HOT TOPICS

The Managed Care Backlash—Did Consumers Vote with Their Feet?

In the decade after 1988, enrollment in health maintenance organizations (HMOs) nearly tripled. With their tight cost-containment policies, HMOs seemed to offer a solution to rapidly rising medical costs. But surveys showed a backlash: consumer trust in HMOs eroded during the 1990s. A new RAND study examines whether consumers “voted with their feet” by leaving their HMO plans.

RAND’s study shows little “voting with feet.” There was only a small overall decrease in HMO enrollment for the post-backlash period of 1998–2001. Of those who left, privately insured patients were most likely to exit their HMOs. Medicare HMO enrollment remained almost steady. Medicaid HMO enrollment actually increased. Regional analyses show that HMO enrollment declined most sharply in the Northeast, while increasing in the West.

Two trends bear watching. First, consumer backlash may have induced HMOs to relax their restrictions to avoid losing market share. If so, these HMOs may be less able to help control costs. Second, HMOs expanded in areas where cost increases were high. Faced with rapid rises in health care costs, employers and consumers may be willing to return to greater care management.

READ MORE: The Managed Care Backlash: Did Consumers Vote with Their Feet?

How Cardiologists View Racial and Ethnic Disparities in Care

A congressionally mandated report from the Agency for Healthcare Research and Quality provided overwhelming evidence of racial and ethnic disparities in health care. A recent RAND survey focuses on a key area: cardiac care. The survey was designed to find out if cardiologists themselves recognize any racial or ethnic disparities in the care provided to heart patients.

Despite the widespread publicity given to the AHRQ and similar reports, only one-third of the cardiologists participating in the survey believe there are racial and ethnic disparities in care. In general, cardiologists tend to feel that any disparities are likely to be due to system problems (such as whether the patient is insured) or patient problems (such as failure to adhere to treatment). Few recognized that providers themselves might be treating patients differently based on race or ethnicity. And even those few tended to place the problem elsewhere: Only 12% said that racial disparities exist in their own hospital, and only 5% said that such disparities exist in their own practice. African-American and female doctors are more likely to report that racial and ethnic disparities frequently occur.

Increasing provider awareness, providing insurer feedback and incentives, and increasing patient demand for quality treatment are among the interventions that could help to reduce disparities in cardiac care.

READ MORE: Do Cardiologists Perceive Racial or Ethnic Disparities in the Treatment of Heart Patients? | News release

Poor Neighborhoods Are Linked to Poor Health

Poorer people tend to have poorer health. But how does poverty influence health? Traditional thinking places the blame for unhealthy behavior (such as use of illegal drugs) squarely on the individual. More recent research includes the effect of the individual’s environment.

A RAND team studying the effect of neighborhoods on health found that residents of neighborhoods with a high percentage of boarded-up stores and homes, litter, and graffiti had higher rates of gonorrhea, premature death in general, and death from cardiovascular disease and homicide. Conversely, neighborhoods in which residents are willing to help each other for the common good had lower rates of premature death in general and lower rates of death from cardiovascular disease and homicide.

Does neighborhood deterioration cause poor health? More research is needed to determine if, for instance, deterioration signals to residents that “no one cares,” and that high-risk sexual, drug use, and other unhealthy behaviors are permissible. Other characteristics may include high crime rates that increase the danger of walking or exercising outdoors. RAND’s new Center for Population Health and Health Disparities is undertaking research to develop a deeper understanding of exactly how neighborhoods influence health.

READ MORE: Does Neighborhood Deterioration Lead to Poor Health?

FORTHCOMING

- April 21: RAND testimony on military health benefits and organization before the Senate Armed Services Personnel Subcommittee
- May Health Congressional Newsletter focusing on military health

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