

Making health care decisions for employees

Ensuring Fairness in Health Care Coverage. By Matthew K. Wynia, MD and Abraham P. Schwab, Ph.D., New York, NY, American Medical Association, 2007, 225 pp., \$29.95/ hardback.

The majority of Americans under age 65 get their health care coverage through an employer, either as an employee or a dependent. Health care coverage attracts much attention, whether through political campaigns, concerns about rising costs, identification of the uninsured population, or in other ways. Employees may come to expect health care coverage from their jobs, or may consider “good jobs” to be those that provide such coverage. But there is much that goes into employer decisions on health care coverage, as Wynia and Schwab point out in *Ensuring Fairness in Health Care Coverage*.

The Bureau of Labor Statistics has a long history of providing data on various health care issues. For example, the Consumer Price Index tracks the change in the price of medical care commodities and services to consumers, while the Consumer Expenditure Survey reports the share of annual household expenditures that go toward health care. The National Compensation Survey tracks employer costs for health care benefits along with the proportion of employees covered by such benefits. Employee premiums, deductibles, and covered expenses are also tracked. These statistics and more are frequently cited to demonstrate rising health care costs, shifts to managed care, and expanded out-of-pocket expenses requirements.

Wynia and Schwab take us behind the scenes of many of these statistics, identifying the issues that enter into employer decisions on health care coverage.

The volume is divided into two parts—some background and identification of issues followed by “guideposts” for ethical decisionmaking. Throughout the book, case studies offer real-life examples of some of the issues that employers face, and some suggested solutions. Included in the background is a brief history of employer involvement in health care coverage, bluntly titled “Why is health insurance for employees my problem anyway?” This short history lesson is a good reminder of some of the steps that led to the system we have today—early company-sponsored health plans, passage of Social Security and later Medicare and Medicaid, changes in compensation packages during World War II, union influence and legislation, and, finally, recent legislation to regulate and encourage employee benefit offerings. The chapter also includes a good glossary of the alphabet soup that is our current health care landscape (PPOs, HMOs, IPAs, and so forth). For those employers new to the health care world, this background could provide a firm foundation for the decisions ahead.

The crux of the volume is the “Five Ethical Guideposts of Fair Decision-Making.” These guideposts read somewhat like your standard management primer—transparent, participatory, consistent, sensitive to value, compassionate—but the details, and especially the case studies, bring to light a number of everyday issues related to an employer’s health care decisions. “Joe Employer” chooses not to reveal the company’s new health plan or its major change in provisions until after the company’s annual celebra-

tion, even though the plan actually goes into effect several weeks earlier. To no one’s surprise, employees who receive care are shocked by their new payment requirements, and turn their anger toward those who made the decision in secret. This provides the perfect backdrop to encourage transparency, not only in the final decisions, but in how those decisions are made. The authors suggest that, if fully explained, employees will understand trade-offs that have to be made between cost, coverage, and other concerns. This leads to a related guidepost encouraging employee participation in the health plan selection process. Strategies such as including employees on benefit decision committees and holding regular meetings and open forums to identify and address concerns are among the ideas offered to ensure employee participation.

A theme that runs through the book and the guideposts is the need to treat employees equitably. Issues such as the types of medical procedures and services that might be covered, varying employee premiums by salary, and treatment of mental versus physical ailments provide a good perspective for the need to be consistent in providing health care benefits. The fourth guidepost, having coverage that is sensitive to value, includes a case study about substance abuse rehabilitation benefits. “Jane Retailer” pushed to maintain comprehensive rehabilitation benefits in her company’s plan, but excluded alternative approaches. From a company survey, she discovered that several employees felt that participation in a long-term rehabilitation program came with a certain stigma that would put them in a negative light. Rather, several chose a long-weekend of intensive rehabilitation, even though it was not

covered by the plan. This guidepost suggests that the medical outcomes, and the concerns of employees about certain procedures, are as important as cost and coverage when designing health care plans for employees.

The final guidepost—compassion—addresses the flexibility needed to handle unique needs. Compassion can be demonstrated by considering the effect of plan design on particularly vulnerable employees and dependents, by addressing catastrophic medical needs, and by providing supplemental benefits. Even though the decision to switch health insurance providers may be transparent and participatory, such a decision may have a particularly negative effect on

those with long-term chronic conditions, who have built a relationship and trust with certain providers. The authors recommend having in place clear and consistent processes for employees to express their concerns, appeal decisions, and propose alternative solutions.

While health care coverage is often looked at as a “dollars-and-sense” issue, Wynia and Schwab open our eyes to many different issues that employers face. By encouraging an ethical approach to tough decisions, they are providing a service that employers large and small can use to make the best possible health care decisions for all employees. Their guideposts, when

considered together, are intended to put employees in a position to understand and appreciate their health care benefits.

Our headlines continue to be filled with health care coverage and cost issues, and a variety of alternative “solutions” have been proposed or tested. *Ensuring Fairness* provides a good credo to follow as our country continues to debate these issues. □

—William Wiatrowski
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