

## Help cut burdens of high-deductible health plans

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Enrollment in high-deductible health plans (HDHPs) rose from 4% in 2006 to 30% in 2019. While the lower premiums of HDHPs may be enticing, the higher patient cost-sharing can lead to significant challenges, according to an AMA Council on Medical Services report adopted at the November 2020 AMA Special Meeting.

“Reductions in health care spending achieved through HDHPs have been found to be due to patients simply receiving less medical care,” says the report. “Moreover, HDHPs appear to reduce health care spending by decreasing the use of both appropriate care (such as recommended cancer screenings) and less appropriate care (such as low-severity emergency department visits).”

To make matters worse, the challenges of underinsurance and cost-related nonadherence that already negatively affect patient care can be exacerbated with HDHPs. Even when a service is covered by a health plan, patients may still be left with significant costs from co-payments, coinsurance or large medical bills they must pay before meeting their deductibles, says the report. Greater out-of-pocket costs for medication to treat chronic conditions leads to reduction in initiation and adherence, lower likelihood of achieving desired health outcomes and can increase use of acute care services.

Challenges of cost-related nonadherence may be magnified by the COVID-19 pandemic as payers experience financial pressure and strive to lower their medical spending.

“The pandemic has prominently displayed the critical barriers posed by underinsurance, with many health plans not providing affordable coverage for services to treat chronic conditions and COVID-19-related illness,” said AMA Board Member Mario E. Motta, MD. “The new policy encourages research and advocacy to promote innovative health plan designs that respect patients’ unique health care needs.

“To ensure that innovative health plans are likely to achieve their goals of enhanced access to affordable care, the new policy encourages active collaboration among organized medicine and

payers during plan development,” Dr. Motta said.

To mitigate the negative impact of high-deductible health plans, the AMA adopted new policy that encourages:

- | Ongoing research and advocacy to develop and promote innovative health plan designs, including designs that can recognize that medical services may differ in the amount of health produced and that the clinical benefit derived from a specific service can vary among patients.
- | State medical associations and state and national medical specialty societies to actively collaborate with payers as they develop innovative plan designs to ensure that the health plans are likely to achieve their goals of enhanced access to affordable care.

The new AMA policy also encourages employers to:

- | Provide robust education to help patients make good use of their benefits to obtain the care they need.
- | Take steps to collaborate with their employees to understand employees’ health insurance preferences and needs.
- | Tailor their benefit designs to the health insurance preferences and needs of their employees and their dependents.
- | Pursue strategies to help enrollees spread the costs associated with high out-of-pocket costs across the plan year.