Wellness & Prevention under Healthcare Reform

One of the most anticipated changes promised under healthcare reform is a greater allowance and accessibility to wellness and prevention programs. These programs, while in existence for a long time, have often been treated as a minimally important service of the insurance and provider industry. As more and more clinical studies are starting to reveal, many of the chronic conditions that require long term and acute care services can be managed, prevented and even reversed through use of wellness and prevention programs. While much is hopeful that this will begin to change the way the industry, and the public, views being proactive in their healthcare; there are a lot of problems still in existence with applying the programs. A lot can be blamed on language. While preventative care can be easily defined, the term "wellness" does not really have a definition that provides for an easily and consistently quantifiable outcome. The industry as a whole will have to create a definition and standard of wellness to do this, the Affordable Care Act has merely left the language in place to provide for these programs once providers know what they can be.

The "Down Payment" on reform

In speaking toward the inclusion of wellness and prevention programs in the Patient Protection and Affordable Care Act, President Obama referred to the programs as the "down payment" towards reducing the overall cost of healthcare in the future. With over 45% of all deaths currently a result of chronic disease and 1 in 7 people afflicted with a chronic disease; this is the highest area of cost to the health care industry. Reducing the cost by preventing the development of chronic conditions is a long range plan that has solid foundations.

Why are chronic diseases on the rise?

There are many reasons why chronic disease is on the rise in the US. Much of it has to do with the fact that the overall population is aging. With a higher demographic of elderly, the skew in percentage of chronic and acute treatments is expected to rise. Also contributing is the shift in lifestyles to a more sedentary pattern and diets that are poor in nutritional value. Obesity has been recognized as the single greatest contributing factor to complications with chronic and acute conditions. The goal of the healthcare industry has long been to find a way to control the complications of chronic conditions to lessen their impact on the quality of consumer's life and reduce the cost of care for treatment. While great progress has been made in educating the American public as to the benefits of wellness and prevention in reducing chronic conditions; the long standing problem has been one of affordability for preventative care, with the healthcare insurance industry providing inadequate schedules for prevention and wellness programs to address issues before they reach an acute care stage.

The shift from acute care to prevention

The emphasis of the industry in providing acute care for chronic conditions over preventative care has had more to do with a failure in coordination of services than a desire to achieve greater profit. Acute care services, while expensive, aren't profitable for insurance agencies. The process of underwriting has long been used to avoid providing care for those with chronic and acute conditions as a money saving

means for the insurance companies. By taking this approach, they have been able to negotiate discounted rates with providers better. The healthcare reform act has done away with the option of underwriting and instituted a new medical loss ratio that is forcing health care insurance providers to switch to a preventative focus.

How the new medical loss ratio helps

Part of the changes in the healthcare insurance industry mandated by the Patient Protection and Affordable Care Act is the new definition of allowable medical loss ratio (MLR). The standard now set for the MLR is 85%, a 4% increase from the previous industry rate of 81%. The medical loss ratio is what determines the acceptable amount of revenue of the insurance company that must be applied to direct care. Under the new regulations, for every $100 of claimed service, $85 must be spent on care with $15 available as revenue. This radically decreases the profit margin for health insurance providers and is sending them scrambling to find ways to reduce claim amounts. Wellness and prevention programs have proven to be an effective means of reducing acute and chronic care costs. They have not been implemented to the full extent possible prior to the reform act due to the cost of creating the programs and the required cultural changes in corporate, insurance and community services that would be required to make them effective. Now that wellness and prevention programs may play a key role in keeping revenues for insurance providers in a range that will allow for a sustainable profit margin, there is greater incentive for insurance companies to promote these programs as a first line of defense against health care costs.

What are the coverage options?

All wellness and prevention coverage provided for under healthcare reform is contingent on a group system, whether that is a corporate structure or community service membership. Within the grouping, there are two different coverage options for wellness and a series of defined prevention programs. It is important to understand that while the two are put together under one umbrella headline, the coverage can be very different. Prevention is defined as screening, diagnostic testing, intervention and immunization. The PPACA spells out specifically the conditions it provides for screening, testing and interventions on which include obesity, alcoholism, HIV, and STDs to name a few. Immunizations allow for the recurring administration of major vaccinations as needed throughout adulthood. Wellness programs are split into two categories – activity based and outcome based. Activity based programs are non-incentive based programs that allow for discounts and reimbursements for things such as memberships to fitness centers, participation in recognized athletic events and reimbursement for some fitness equipment. Outcome based programs are dependent on goal oriented programs to address potential causes for chronic conditions. The one that captures most people's attention is how this may apply to weight management. As it stands now, bariatric surgery is only covered by the Affordable Care Act is the surgery was covered by the insurance provider in-state before its implementation. Outcome based wellness programs will cover weight management programs that are supervised and have quantifiable results.

The state of alternative treatments

One of the questions that is generating a lot of interest is how the PPACA is going to affect the availability and coverage of alternative treatments for consumers. Much of the language throughout the Affordable Care Act can be interpreted as supportive to coverage of alternative treatments, something that has been a contentious topic in previous health coverage plans. Section 2706 of the Act contains a statement that is leading alternative practitioners to believe the door is now open for them to be reimbursed as easily as Western medical practices. The section states that coverage shall be applied to all treatment providers licensed by the states. This means that a licensed chiropractor would be reimbursed as easily as a medical doctor if they were treating a consumer for a back injury. With every state licensing different types of alternative practitioners and some not licensing them at all; this can become a very tricky area. One of the initiatives that promises to take this dialogue to a new level is the move by many alternative medicine groups to institute nationalized standards for certification that will lead to state licensure. Some practices, such as Reiki, have been re-codified under the Nursing Diagnosis and Treatment manual as “Healing Touch Practice” and covered by more insurances prior to the act. The language and implied changes also mean that nurses may be able to be reimbursed more for their services as coded by their diagnostic manual than ever before. All of this expands the wellness and prevention treatment possibilities for patients. It will require a huge cultural shift in the industry as to what is accepted as prevention and treatment and who is deemed capable of providing the care service.

Being proactive in wellness and prevention

One issue that is not addressed adequately by the Affordable Care Act is the role of individual proactive involvement in wellness and prevention. All of the language and structure of the programs revolves around group programs, but many of the consumers registered are not currently involved with a corporation or community service to take advantage of group designated programs. Watchdogs critical of the reform act suggest that this is a way to force more people into the structured social service system that will generate a greater burden on the economy. Those in favor of encouraging a greater involvement in organized community health initiatives read this as a greater opportunity to reduce acute and emergency care costs. The end result remains to be seen as the idea of wellness and prevention is something still new to the culture of the healthcare industry and the mainstream American culture as well.