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Rationing Care Is the *Wrong* Way to Cut Oregon's Medicaid Costs

By Debbie McCabe, Molly's Fund Fighting Lupus and Lorren Sandt, Caring Ambassadors

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(OREGON - June 25, 2013) - Imagine walking into your doctor's office and seeing someone else standing there, telling you they get to make the final decision about your health care. Instead of doctors and patients making important health decisions, they make the final call.

For those in Oregon's social safety net, that day is coming. The Health Evidence Review Commission, or HERC, is designed specifically to cut health care costs by overriding decisions made by doctors and their patients.

Such restrictions are frustrating enough for those with private insurance. Those on Medicaid, however, have few, if any, alternatives. They cannot switch insurance plans and they have no way to afford the medicines or treatments their doctor has chosen for them. They are locked into a system where chronic illness, pain and other ailments fester and grow worse.

The goal is one we can support – cutting healthcare costs – in the same way everyone can support removing a tumor. The question is, do we use a scalpel or a chainsaw?

Here are how HERC's rules work. The Oregon Health Authority says the HERC will examine treatments with "Marginal Benefit and High Cost." If HERC decides, on average, a treatment does not provide enough benefit to patients, the state will refuse to pay for it, requiring patients to use other medicines. This creates many problems.

First, it runs counter to the direction of scientific innovation in health care. Oregon's thriving bioscience innovation sector focuses on creating personalized medicines, working with an individual's specific DNA and illness to offer effective treatment.

The HERC rules, however, head in the opposite direction, treating all patients with a particular illness the same way. Even if a medicine is only effective in 20 percent of people, it makes no sense to refuse to cover a treatment for them because a medicine does nothing for the other 80 percent.

Second, as the Health Authority admits, it has no definition of "marginal benefit" or "high cost."

Supporters of HERC's restrictions argue it is a science-based process. This is not accurate. Ultimately, the decisions about what treatments the state covers depend on subjective decisions about the definition of those terms. What may be "marginal" to one person may seem essential to another.

Additionally, the very purpose of the HERC rules is to cut costs. Given a choice between providing care and cutting costs, the bias is to restrict access to care.

As long as decisions are based on such flimsy and debatable definitions, any claim that decisions are based in science, not politics, is not accurate, especially in an environment where the goal is to cut costs by overriding the decisions of physicians.

Finally, while science only draws conclusions about what is known, HERC's rules encourage the consideration of what isn't known. In its explanation of application of the rules, the Oregon Health Authority provides an example of a medicine that helps those with Multiple Sclerosis walk. Their example says "It is not known whether a small increase in walking speed can help improve the ability to carry out daily activities or if can help those who already are wheelchair bound." Knowing this information is critical to making an accurate decision about the value of that treatment. How can the state make a decision when it does not know this information? It can't.

On the other hand, the patient's physician will see, first-hand, if the treatment helps. Ultimately, those who admit they do not have evidence about the treatment's benefits for the patient will override the decision of the doctor, who has actual evidence.

Supporters will claim that physicians can ask for exemptions for their patients when necessary. That process, however, is difficult and discourages such exemptions. This is a strategy used by some private health insurance companies and is often a mere fig leaf where the reality does not match the promise. As non-profit organizations, we certainly understand the need to contain costs.

Withholding care, however, should be the last option, not the default. If we truly care about providing health care to those who need it, the state must get rid of these flawed and callous HERC rules.

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