

# Out of Hours

## Letter from America

### CO-PAY AND DEDUCTIBLES

I have a photo from a collection from the National Archives taken during the 1930s. It shows a GP sitting at his desk with a stern look on his face and a sign that reads 'Consultations: Cash Only'. Although one might be amused by the 80-year-old photo, offices and hospitals still demand payment from the patient, albeit more subtly, even if the patient has health insurance. 'Co-pay' and 'deductible' are the terms used these days for the portion of the bill patients must pay and are among the more maddening aspects of US health economics. Patients who have to make frequent visits may have \$40 charges for each visit in addition to their insurance, and so patients with chronic diseases that require frequent monitoring can quickly run up bills that keep them away even though they are 'insured'. Drug costs are another example. I am on an anticoagulant for which I had a 'co-pay' of \$15/month for the past year but my most recent refill said I had to pay \$50/month for the same drug. The pharmacist gave me no reason and the health plan gave me no warning. All insurance products carry what is termed 'deductibles', which is the amount of money patients must pay before the insurance actually pays. The tiers of the Affordable Care Act (ACA) have decreasing deductibles with increasing cost of overall insurance. Patients still roll the dice when they are 'covered'. A recent study reported that two-thirds of Americans could not cover a \$500 emergency and health insurance deductible are 'limited' to \$6850 under the least expensive plan in the ACA market! Such reliably conservative sources as the *Wall Street Journal* and *Forbes* have written about how the cost of health care for the average family is rising, even as more people gain insurance, and this cost is creating delays in getting care or receiving appropriate preventive screening. Bankruptcy from lack of insurance is being replaced by bankruptcy from deductibles. What is going on?!

### ADD-ONS AT THE POINT OF SERVICE

Underlying all this is the peculiar US cultural belief that, if you get something for nothing, you will both overuse the service and not value it. When, in the 1980s, Health Maintenance Organizations (HMOs) made it possible for visits for preventive care and chronic illness to be free, the use

of services saw an 18-month uptick but then settled into a predictable pattern of use. Nevertheless, the country has been furiously backpedalling away from the idea of free-at-the-point-of-service care, adding co-pays and other costs to patients to try to steer them away from, for example, emergency rooms or certain medications. It reminds one of the airline industry where what appear to be inexpensive trips suddenly become expensive because of add-ons like paying for bags, paying for a seat with leg room, or paying to get on early, all of which add billions of dollars of revenue that was not planned by travellers.

### OBSTACLES TO ACCEPTANCE OF THE ACA

So there continues to be a dance that insurance companies, employers, state and federal government, and citizens engage in that keeps health insurance from being simple to understand and that gives energy to the call for 'single payer' without having to deal with the insurance companies and their deductibles. The problem with that approach, sadly, is that the largest single component of the US GDP is unlikely to go through a radical change without resistance from those who stand to lose: including doctors, hospitals, Pharma, and insurance companies. And if the NHS, with a long history of being widely accepted as the way to do medical care right, continues to struggle with history, economics, and a changing world, one can imagine what lies ahead for the ACA, which the Republican congress wants to undermine rather than fix.

A colleague, Paul Gordon, a Professor of Family Medicine at the University of Arizona, is on sabbatical bicycling across the US listening in small communities to people's opinions and thoughts about Obamacare and writing and recording these stories. It is literally a ground-level view of what is

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happening. (You can read Paul's stories on his blog: <https://bikelisteningtour.wordpress.com/>.) He reports the ambivalence and lack of clarity about the ACA that shows how far the country has to go to get it right.

However, the percentage of people who see the ACA as positive is climbing and the percentage of those who are negative is dropping, and the lines are likely to cross with the next presidency. But that may not happen if the forces of deception, greed, and world-class dissembling continue to dominate US politics. Paul Starr's opening line from his landmark book on the history of American medicine, *The dream of reason did not take power into account*,<sup>4</sup> summarises what lies ahead whatever happens in the US elections. Perhaps a corollary to Starr's comment is that the dream of reason did not take mindless demagoguery into account either.

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