

TALKING POINTS FOR ERNIE BRODSKY
LEADERSHIP FLORIDA PANEL DISCUSSION
FRIDAY, SEPTEMBER 12, 1997 — JACKSONVILLE, FLORIDA

Managed Care Statistics

- Today, approximately 160 million Americans nationwide have chosen managed care for their health care needs — HMO or PPO (*Modern Healthcare 11/10/97*).
- Nationwide, about 70 million Americans have HMO health care coverage (*Modern Healthcare 11/10/97*); in Florida alone, more than 4 million people are enrolled in an HMO (*Orlando Business Journal 9/23/96*).
- At BCBSF, 89% of our customers have chosen a coordinated approach to health care through Health Options, our HMO, or one of our PPO plans — this translates into approximately nine out of 10 BCBSF customers.
- The shift to managed care has been voluntary. More than 80% of Floridians who obtain benefits from their employers have chosen an HMO over at least one other option (*Foster Higgins' Nat'l Survey of Employer-Sponsored Health Plans Report, 1995*).

Managed Care is Affordable and High Quality

- Innovative health care programs that focus on coordinated care like that in an HMO have contributed to a 20-year low in the national medical inflation rate.
 - ◊ For the last two years, health care costs grew by only 2.5% per year (*Associated Press, 4/10/97*) — quite a contrast to the double-digit increases of the 1970s and mid-1980s.

- Employers and individual consumers are finding that affordability and quality do go together.
 - ◊ GTE says their data shows the highest quality health plans with the highest member satisfaction are also the most cost-effective.
 - ◊ Numerous independent studies have consistently shown that more HMO subscribers are satisfied with their health care than those in fee-for-service plans.
 - ◊ At least 17 studies during the past several years have reported that the quality of care for managed care patients is equal to or better than that given to fee-for-service patients.

Advantages of Managed Care

- The advantages of managed care include preventive care, quality measurement, management of chronic conditions and the ability to provide comprehensive care within a budget.
- A HCFA study found that elderly HMO members with cancer are diagnosed sooner than fee-for-service patients. Breast, cervical and colon cancers, and melanomas were diagnosed significantly earlier in HMOs. The difference in stage at diagnosis was attributed to Medicare HMOs' coverage of cancer screenings and annual physicals.
- Women in HMOs are more likely to obtain mammograms, pap smears and clinical breast exams than women in fee-for-service plans, according to a study of cancer screening among women conducted by the federal Centers for Disease Control and Prevention and the National Center for Health Statistics.
- A RAND Corp. study of more than 24,000 births in six HMOs found that prenatal care is "quite good" overall and that it surpassed the national average in six key areas. For example, about 87% of women had their first prenatal care visits during the first trimester, compared with the national average of 76%. In addition, HMOs had a low birth weight rate of only 5%, compared to 7% nationwide.

- Managed care plans provide special programs to help patients with health conditions like diabetes or asthma regain control of their lives. Through these programs, HMO members become *active* participants in taking control of their own condition and improving their health — rather than being *passive* victims of their illnesses.
- BCBSF’s managed care customers benefit from programs that include:
 - ◊ *Healthy Addition*, a program that provides prenatal education and helps women with high-risk pregnancies deliver healthier babies.
 - ◊ Programs to manage chronic conditions like asthma (*Asthma Care Plus*), diabetes and heart conditions.
 - ◊ *Medicare & More*, our specially designed HMO for seniors that offers preventive services and wellness exams that aren’t covered under traditional Medicare.

Managed Care Saves Consumers Money

- A recent study conducted by the Lewin Group (*Managed Care Savings for Employers and Households: 1990 through 2000*) found that managed care saved American families between \$408 and \$549, including savings in premiums, out-of-pocket health care costs and increased wages in 1996.
 - ◊ According to the same study, the growth of managed health care may save Americans as much as an estimated \$383 billion this decade. Over the 1997 through 2000 period, total managed care savings for people covered by private health plans are estimated to reach between \$125 and \$202 billion.