

A code of conduct for health insurers

By David Charles, M.D. – 11/04/09 07:47 PM ET

While the debate over healthcare reform continues in Washington, America's doctors have been quietly moving ahead with plans for a first-ever code of conduct for the nation's health insurance industry.

Such a code is a badly needed reform that must not be pushed aside, no matter what kind of healthcare legislation is eventually passed and signed by the president.



The American Medical Association is developing the draft for a Health Insurer Code of Conduct. Why is the medical profession proposing this code instead of the insurance industry? It's because physicians too often find themselves trying to help patients cope with insurance companies that deny or delay the care they need.

While the healthcare reform debate initially focused on the 47 million Americans without health insurance, it soon expanded to include the chronic frustrations of many Americans who do have health insurance. At public hearings and in news interviews Americans have poured out their frustrations over insurance companies that denied them coverage for diagnostic procedures, hospitalization, treatments, or drug therapies prescribed by their doctors.

Regardless of opinions on how health insurance should be reformed, most Americans cherish their doctor-patient relationship. The darkest fear most of us have about a government-run healthcare plan is that government bureaucrats would be overturning the recommendations of our doctors.

Yet this kind of trespassing on the doctor-patient relationship already happens daily in American healthcare. It happens every time a patient has to apply for pre-certification from an insurance carrier in order to have surgery or other treatments recommended by their physician. And it happens when insurance plans substitute a prescribed drug with another, cheaper brand.

Millions of Americans are arbitrarily denied coverage for a specific treatment or, less frequently, summarily dropped from coverage altogether after they become ill. The challenge of contesting these decisions is complicated by each insurance carrier having its own combination of hard-and-fast rules and by arbitrary decisions that ill patients too often don't have the stamina or resources to battle.

It shouldn't take the patience of a saint and the threats of a trial lawyer for an insured person to get the treatment his or her doctors prescribe.

Work on the AMA draft for a Health Insurers Code of Conduct is in its early stages; a first draft will be presented to the AMA House of Delegates in November. The fundamental message of such a code for insurers, however, is already clear: Put patients first. Unfortunately, in some insurance plans the patient's best interest is too often subjugated to the profit margin of the company.

Insurance companies have a financial incentive to deny as many pre-certification requests and claims as possible. This might make a short-term profit, but this resistance to legitimate patient needs is adding to America's overall healthcare costs.

New research shows that medical practices across the country report spending \$31 billion a year on the administrative costs of dealing with health insurance plans. Physicians in one survey reported spending the equivalent of three weeks a year dealing with insurance-related matters. I can confirm from personal experience that much of that time and money is spent helping patients over the bureaucratic hurdles of the insurance appeals process.

A health insurer code of conduct truly focused on patient welfare could minimize these problems and increase Americans' satisfaction with whatever form of health insurance they choose. Hopefully the AMA can draft a plan that insurers would see the value of adopting voluntarily. If not, Congress might have to translate some version of the code into law.

Either way, a code of conduct is essential because we will never achieve meaningful healthcare reform in America without meaningful reform in the way health insurers respond to patient needs.

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