Consumer-Directed Health Care: Are Consumers Ready?

In the continuing quest to bring health care costs and the rate of health care inflation under control, a new concept known as consumer-directed health care is steadily gaining momentum nationwide. The proponents of this somewhat controversial movement argue that, heretofore, consumers of health care (ie, our patients) were passive recipients of health care services and as a result were effectively insulated from the real financial burden associated with their health care needs. In the landmark report, *Crossing the Quality Chasm,* published by the National Institutes of Health in 2001, the authors ascribe this passive stance to the traditional paternalistic approach to health care observed in the United States.[1] Under that model, the physician—and the physician alone—determines what health care services are necessary when one enters the health care system. Supporters of the traditional approach argue, often quite convincingly, that consumer-patients lack the requisite knowledge and background to make important decisions about their health care.

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The fact that there is renewed concern about the rate of increase in health care costs is amply demonstrated by the front-page headline in a recent issue of *The New York Times*: "Cost of Benefits Cited as Factor in Slump in Job Market."[2] In that article the reporter offered a sobering analysis of the financial burden of providing employer-sponsored health insurance. Nationwide, it now costs employers approximately $3,000 per year for each worker receiving health care benefits. Not surprisingly, offering employee health coverage is now the fastest growing cost that employers have to deal with, and it does not look good for the foreseeable future. For example, in the second quarter of 2004, the cost of health care benefits rose at an annual rate of 8.1%, more than 3 times the rate of inflation and the rate of increases in wages/salaries combined.

Consumer-directed health care has its roots in the employer-employee arena. In an attempt to curtail their own costs, employers are beginning to require that all employees select the health insurance plan appropriate for their needs and those of their dependents. The idea is to offer each employee several options, with various degrees of financial responsibility, based on the premise that employees would tend to be more prudent in their use of health care services when there is an out-of-pocket cost associated. Employees would need to balance their annual deductible and co-payment obligations with the coverage they so choose.

In the past, employers have learned all too well that while offering bare-bones health maintenance organization plans might save the company some dollars in the short-term, in the longer term other problems are created. For example, employees often balk at the difficulties they encounter in dealing with the nuances of the plan selected by the employer's benefits manager. As expected, there are times when employees encounter access problems, and their dissatisfaction (and at times outright anger) is in turn focused on the employer for selecting what is perceived to be an inferior plan. However, when employees are responsible for selecting their own health plan, employers find they are somewhat insulated from disgruntled employees while at the same time gaining an upper hand in the struggle to control benefit costs.

Consumer-directed health care is likewise being promoted at the clinical level, where patients are now being encouraged to actively participate in decisions about their care. Presumably, when provided all of the relevant information, the consumer-patient or caregiver will make the best choice. But are consumer patients ready for this new responsibility when it is time to make a decision? Evidently not, as evidenced by the report by Hoisington et al in this issue of RESPIRATORY CARE.[3] They looked at the dynamics of encouraging patient choice of home respiratory equipment and service providers (eg, oxygen equipment, nebulizers, continuous positive airway pressure machines, and related supplies and services). Patients who required such home respiratory equipment, supplies, and services after hospital discharge were provided explicit and comparative information about the local respiratory home medical equipment and service providers that responded to the researchers' questionnaire about their services. Hoisington et al discovered that patients still felt uncomfortable and/or ill-equipped to actually make the decision, despite being fully informed, preferring instead to rely on what the discharge planner advised.

Even though consumer patient choice was not as enthusiastically accepted by the study participants, Hoisington et al did observe an unexpected and positive secondary finding. Specifically, some home respiratory equipment and service providers began to make positive changes in

the way home visits were made by the respiratory therapists working for the equipment and service providers. Sensing that customer-patients would begin making informed decisions as to which provider they selected, the companies began to compete with one another, most notably in the promptness of home visits following discharge. As Hoisington et al[3] suggest, the notion of consumer-patients assumes the primary responsibility in selecting a home equipment and service provider was enough to cause the various providers to improve the timeliness and extent of the professional services they offer. This finding suggests that there are situations where even the hint of competition between health care providers can contribute to an increase in quality.

Will patients accept an increased role in making informed decisions about their health care? Initially, I suspect there will be a reluctance to do so, but the inevitability of consumer-directed health care is clear, if for no other reason than to help employers reign in escalating costs. However, selecting a health plan when one is healthy is much different than making decisions in the midst of a major medical episode. For the latter to work, all clinicians will need to do a better job of helping patients or caregivers grasp the details and associated costs of the various clinical options available. For patients with chronic medical conditions such as asthma and chronic obstructive pulmonary disease, the need is even more important, especially if the high rate of recidivism associated with those 2 conditions is to be brought under control. Hopefully, respiratory therapists will rediscover their patient-education skills and assume a leadership role as consumer-directed health care continues its slow but steady evolution.

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