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Managed care history lesson— Read the book, saw the movie, bought the DVD

The ramping up of the legislative debate with the managed care industry over our standardized contract proposal has a familiar, deja vu tabloid headline tone. Much like the previous generation of debates in most states over prompt payment or patient protection, our fairly simple administrative simplification would evidently throw widows and orphans in the streets, send the managed care organizations into poverty or exile and bankrupt most employers. Meanwhile, entirely consistent with previous experience, some plans have quietly approached us and in so many words said, "we'd just as soon not have to, but we don't think it's exactly the end of the world." And, just as predictably, the noncombatant plans are reluctant to express this moderating opinion publicly.

Legislative change is always hard, especially to multi-state corporations looking down the barrel of a 50-state scenario. Managed care changes are typically resisted with over-the-top ferocity. Some of this comes naturally from the competitive juices of their advocates, but no small part comes down from the corporate towers who fort up, draw lines in the proverbial sand, and instruct their retained warriors to fight to the last man/woman. The insider view has almost without exception been, "we don't want to set a legislative precedent", accompanied by all the familiar metaphors about camel noses, slippery slopes, etc. At some point, the walls are breached or outflanked because the legislators are weary of the last-stand mentality and lack of a reasonable alternative to the medical community's proposals. Subsequently the plans challenge the statute in the courts, or adjust their operations and contracts to thwart or minimize the impact, and we restart the cycle.

In the previous debates in state legislatures across the country, the plans' resistance followed a near-identical pattern:

1. Hire every lobbyist with a pulse, especially those with close ties to the hand holding the veto stamp.
2. Hire high powered public relations firms and blitz the media outlets with end-of-the-world prophesies.
3. Phone bank or blast fax policy holders urging them to contact their legislator to protect them from a premium spike.
4. Launch paid advertising with a similar appeal.
5. Platoon-style negotiations. The first 3 MCOs are more or less OK with amendments, but the next two in the door are intractable on the first three's amendments, but not coincidentally have another test of changes they're OK with, which of course the first three can't live with.
6. Put their big board folks on the local boardrooms and CEOs with the same costs-through-the-roof threats.
7. Ditto with the business and trade groups, from the state chamber to the municipal league.

Our initiative hasn't manifested all these symptoms, just most of them. Our cosponsors have been swamped with lobby contacts and some employers have been panicked by the pressure. In spite of the burners being turned up, we may actually benefit from previous experience and not repeat managed care history. We have had cordial discussions with the plans, and while some of our cosponsors have had the wind knocked out of them, we are enjoying significant, bipartisan support. The Governor has sent forward a very thoughtful alternative, which we have sent to some of the country's top managed care experts to assess.

On the eve of the first public hearings, I am cautiously optimistic—that is a precise word of art in the world of lobbying—that the positive mix of solid legislative and Gubernatorial leadership, broad, bipartisan support, and the candid advice if not tacit OK from some of the managed care players, may move this very logical legislation to the Governor's desk. No time like the present to set a good precedent, or as Dr. May says, that time might be "right here, and right now."

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