

Grant

Discussion with Professor Jerome Pollack, Associate Dean, Medical Care Planning, and member, Harvard Center for Community Health and Medical Care, concerning the progress of the Harvard experiment in prepaid medical care. Present: Mr. Newton, Dr. MacLeod and Mr. Keenan. (1/13/69)
Notes by Mr. Keenan. ✕

Dr. Pollack said that, in general, he felt that the experiment was developing satisfactorily. He reported that there is wide interest in it among other medical centers and that he has received a number of serious inquiries about it. He believes that the experiment could be replicated in places like Pittsburgh and also Rochester where there are capabilities for an effort of this kind. He indicated, however, that Harvard would probably have to assume a training role for replicating this effort and would have to have sufficient money and staff in order to do this properly.

Concerning the relationship of the Harvard Plan with the medical profession, Dr. Pollack commented that the effort has not encountered opposition. He attributes this to the fact that he and his staff have met regularly with members of the local medical societies and that these organizations will have representation on the corporate board of the Harvard Medical Plan. Indeed, he emphasized that a distinguishing feature of the Plan will be a close tie with medical practice. He said that he would like to recruit an excellent physician who would give full-time attention to relationships with community doctors.

Harvard envisions extending the Plan to the Greater Boston area when facilities are available. At present the effort is being restricted to fixed geographic areas. This includes, in addition to Cambridge, the low-income neighborhood of Missionville and Parker Hill, which is close to the Medical School.

About one-fifth of the membership enrolled in the Plan will be from poverty groups. The Harvard Plan would be written so that the Medicaid and Medicare benefits could be incorporated. Dr. Pollack believes that poverty-group members enrolled in the Plan will represent a medical school outreach

into this neighborhood. For these subscribers a "minibus" will be available for transportation to the clinic serving the Plan.

The long-term effort of this prepaid program is to bring the poverty groups into the mainstream of good medical care, and to do away with the dual system of care. Dr. Pollack agreed that as a transitional measure, community health centers in poverty areas probably would be needed. He feels, however, that it is important to avoid a struggle with community residents for control over these centers. He believes that one of the mistakes of OEO policy is that it got itself involved in the politics of the community, and he is persuaded that medicine cannot be organized on this basis. In his view, medical facilities and services should be organized as a regional system of care, with the community centers as part of this larger system.

The prepaid Harvard Medical Care Plan, he indicated, will not involve community health centers or stations. The comprehensive health-care facility will be located at Harvard and will serve as the processing center for hospital care -- in-hospital as well as outpatient.

Concerning the question of financing subscribers from the poverty group, Dr. Pollack said that he would seek sources of support to supplement the Medicare and Medicaid payments. He would like to get an "insurance consortium" involved in this matter, he said.

An important component in this supplementary help would be the private insurance carriers -- a resource which he feels is being largely ignored. He reported that the carriers are interested in an experiment of this kind.

Speaking more broadly, Dr. Pollack believes the private carriers have an important role to play in the development in this country of a universal health insurance coverage program. A system can be developed, he said, which would include a minimum standard of benefits. This could be financed,

in large measure, from employer and employee contributions, he believes. Government help should be forthcoming, he said, in instances where an employer finds that his insurance payments exceed 3 per cent of his payroll. Payments above the 3 per cent level would be taken up by the government, however, only after an investigation of why the insurance costs exceed this level.

Dr. Pollack believes that a system of this kind could also be developed for unemployed persons covered by Medicare and Medicaid and involving the Blue Cross plans which, in most instances, have been the carriers of this assistance.

The discussion then turned to the present needs of the experiment and what further role the Commonwealth Fund might play.

Dr. Pollack said that over the next two years the Plan will grow to about 30,000 subscribers. The cost will be about \$3.5 million for the first year and \$4 million for the second. Dr. Pollack anticipates that the Plan will encounter a net deficit of about \$520,000. This would be roughly 6 per cent of the total cost, and would not be considered high by commercial insurance standards for the establishment of a new program. After the first two years, the program should be solvent, Dr. Pollack said.

Beyond establishing the Plan, Dr. Pollack said that thought should now be given to the next stage of the development of the experiment. He sees the Plan being extended to independent hospitals and to independent groups of practitioners. Thus, he would like to have a medical leader on his staff to begin developing interest in these institutional arrangements.

Another concern for the immediate future is the role of the experiment in medical education. It should include, Dr. Pollack said, training of

residents in comprehensive patient care and seminars for medical students as part of their studies in social medicine. It should also include, he suggested, graduate education in administration and management of medical care systems.

Still another need is for planning and staff in order to help replicate the experiment in other medical centers.

For these purposes -- that is, extension of the Plan to community hospitals and physician groups, education, replication in other medical centers, and also special attention to adopting it to insurance for poverty groups -- Dr. Pollack estimates that outside support on the order of about \$300,000 a year would be required.

In response to a question from Mr. Newton, Dr. Pollack said that he had not yet prepared a budget or proposal along these lines, inasmuch as, first, he wanted to have a preliminary discussion with the Fund.

Mr. Newton urged Dr. Pollack to bring his experiment to the attention of other foundations, and he said that the Commonwealth Fund would try to be of assistance in arranging a one-day meeting with other foundations expressing interest in the experiment, such as Kellogg.

Mr. Newton also indicated that the Commonwealth Fund would be willing to consider a contribution to the overall needs as outlined by Dr. Pollack. He suggested that Dr. Pollack prepare a proposal describing in some detail the progress of the experiment thus far, the priorities for its further development, and the financial needs involved.

Dr. Pollack indicated that he could have a paper of this kind in our hands by the end of January. Mr. Newton and Dr. MacLeod said that they hoped that this date could be met, inasmuch as the Fund would then have time to study the proposal and to consider a possible recommendation for support at the May, 1969, meeting of the Fund's Board.

As a final point, Dr. Pollack said that this experiment is very much an integral part of the program of the Harvard Center for Community Health and Medical Care. Members of the Center's staff are participating in providing research and evaluation back up. In addition, the Harvard medical faculty is much interested, as are staff of the Beth Israel and Brigham Hospitals.