

INTRODUCTION

The Future of Managed Care

Managed care, the shorthand term used to refer to a diverse range of insurance and healthcare organizational strategies, came into prominence in the United States as national concern arose over the inability of indemnity insurance companies, employers, or governmental regulations to control the rate at which healthcare costs were rising. Moreover, managed care was expected to bring forth a more rational and equitable strategy for allocating scarce healthcare resources, improve access to needed services, and assure higher levels of quality of care for those covered by these plans. Recent trends in the healthcare insurance marketplace have caused significant changes in the way most types of managed care organizations go about their business. These changes have altered and made more complex the relationships among providers, patients, and insurers. Some of these changes have led to public expressions of disappointment in the accomplishments of managed care (what some have called “the managed care backlash”), while at the same time requiring the managed care industry to seek more innovative and effective approaches to healthcare financing and delivery. Despite these disgruntlements, the Center for the Study of Health System Change has recently reported that between 1997 and 2001 physicians reported a modest increase in the proportion of practice revenue from managed care contracts. Clearly, managed care is not to be dismissed as insignificant to either the present or the future of healthcare in North Carolina.

In this issue of the *Journal*, Sandra Greene has painted a broad picture of the growth and development of managed care plans in our state. Her balanced analysis is followed by a personal reflection by Robert Bilbro on the experience of North Carolina physicians who have attempted to fashion their own alternative to conventional managed care, only to see their efforts swallowed up in the normal give and take of the business enterprise of healthcare. Christine Ryan offers a description of the North Carolina Patient’s Bill of Rights legislation which attempted to assure the accountability of managed care plans operating in our state. Barbara Morales Burke of the NC Department of Insurance provides a thorough analysis of how managed care plans are regulated in our state. Finally, Paul Mahoney, Executive Director of the North Carolina Association of Health Plans, provides a perspective from the managed care industry on both the present and future challenges of this most complex field.

These papers are among a growing number of published analyses in recent weeks which have raised serious questions about the future of health insurance in general as a form of social insurance. We hope that this set of perspectives and analyses will offer our readers a range of viewpoints and suggest a number of salient issues that need our attention if we are to assure the most appropriate future of managed care for our state, as the burden of much of future healthcare spending will be shifted (through such mechanisms as “defined contribution” employee benefit plans) from consumers who use little care to those who use more. As always, we welcome your comments and reactions through Letters to the Editors. Let us hear from you.

—Gordon H. DeFriese, PhD
Editor-in-Chief and Publisher