

Final end of Two Harbors HMO leads back to the future

It may be silly, if not completely inane, to wax nostalgic about the demise of an HMO. While the initials stand for "Health Maintenance Organization," most of those entities today have nothing to do with keeping people well and are little more than insurance plans. Who cares then, if the company demanding you fill out Form 37Q before paying for your gall bladder surgery goes out of business?

Yet FirstPlan, which last month announced it was getting out of the HMO business, was different — with the emphasis on was. The root of the company was Two Harbors' Community Health Center, a clinic truly dedicated to keeping its patients well as one of the nation's first HMOs.

Or something like that.

"It was created long before the term HMO was," said Dr. Harold Leppink of Knife River, who worked for the clinic from 1957 to 1970 before becoming public health director of Lake and St. Louis counties.

"It was intended to be a health care cooperative," he said. "It was spear-headed by people who worked for the railroad who had what amounted to prepaid health care. When the railroad discontinued [the coverage], the unions got together and decided to create their own plan."

At that time, he said, a member would buy into it for \$100 and pay monthly dues. Everything was covered, and if the six doctors on staff couldn't

perform a procedure themselves they made referrals to Duluth or to the Mayo Clinic, with Community health Center picking up the tab.

That was pretty much the operation when the phrase HMO was coined and large groups formed around the country following the same model. The deal was patients agreed to go to the clinics

for all their medical needs, except emergencies and specialties. The clinics in turn

would have all the patients' information at their fingertips, before computerization. And the emphasis was strongly on preventative health care, with some HMOs requiring patients come in for a yearly physical.

"You are absolutely right," FirstPlan Vice President Joyce Mireault said from Duluth, confirming that we weren't imagining those memories. The concept is a far cry from today's medical care, in which, as Mireault put it, "a lot of people wait until they have an issue and deal with it."

So what happened?

As Leppink remembers it, things began changing in the 1960s with the debut of Medicare, which covered hospitalization more than it did outpatient care at the clinics. Then in the 1970s and beyond, competitors and political opponents of prepaid care began attacking HMOs, making specious claims such as "you won't be allowed to see the doctor you want."

Yes, HMOs did limit doctor visits —

outside of specialties and emergencies — to their clinics, but that was the point and what made the financial model work. And again, the focus was on preventive care. In the current climate, when was the last time your health plan called you in and told you to get a physical?

Disingenuous or not, the attacks worked and the wheels began falling off HMOs. By the 1980s, "co-payments" were the norm and even the innovative Community Health Clinic was refusing to cover pre-existing illnesses of new members. Finally, HMOs capitulated to allow members to seek medical care anywhere, defeating their entire purpose.

Is that the cause for today's skyrocketing health care costs? Not entirely, and who's to say that a mid-20th century model of prepaid health care would be sustainable today? In fact, though it isn't closing its HMO until the end of the year, FirstPlan a year ago ended its relationship with the Two Harbors clinic, selling it to Lake View Memorial Hospital.

Mireault said the company's many other health care enterprises, and most jobs, should be unaffected by the HMO's closure. But the core of its legacy may live on in new FirstPlan programs — one designed to help identify signs of chronic illnesses before a malady takes hold, and another to keep people well and out of the hospital and emergency rooms.

Which, in Two Harbors, is nothing new.

EDITORIAL