

CNN OutFront with Erin Burnett  
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Transcript

Our fifth story OUTFRONT: Get a physical or pay up. This is a new policy from the national drugstore chain CVS and it has a lot of people upset.

Let me just explain how it works. The workers at CVS would have to undergo a health screening. And there'd be a checklist: weight, body fat, BMI, glucose levels, all those kinds of things and if you don't hit certain levels, you will have to pay a penalty.

CVS calls this a motivation for a healthy lifestyle. Critics call it an invasion of privacy.

OUTFRONT tonight, Dr. Deborah Peel, founder and chair of Patient Privacy Right and our contributor, Reihan Salam.

And good to see both of you.

Dr. Peel, let me start with you.

CVS put out a statement to us that said, "Our benefits program is evolving to helping our colleagues take more responsibility for improving their health and managing health-associated costs and initial step to accomplish this is a health screening and wellness review."

In the sense, this seems to make a lot of sense, literally, right? I mean, if I am going to have to pay the cost of making poor decisions and not working out, then maybe I'm more likely to make better decisions.

DR. DEBORAH PEEL, FOUNDER AND CHAIR, PATIENT PRIVACY RIGHTS: Well, Erin, this is full of so much baloney, it's hard to know where to start. First of all, people are coerced into voluntarily signing to get these health screenings or they will get \$600 a year deducted from the paycheck. So that's a problem.

The idea that they want to be unhealthy is a problem, too. Who knows what's keeping them from being healthy? That's one place CVS could start. They could ask, what can we do to help you? But, no, they think the answers are a wellness program, getting measured, creating -- forcing people really to do this rather than asking them what they need.

And the second thing that's really important to remember is they're already paying more for their health insurance than other people. It's not like they're not penalized for being ill or sick. They are. They're already penalized by the insurers. So, there's a big problem because everyone in this chain can pass the information to CVS from the lab company that does the testing to the wellness company --

BURNETT: Right. And that's a separate --

PEEL: -- et cetera.

BURNETT: Yes, and privacy issues are important, I realize that. But a little bit separate from what you're saying.

PEEL: Yes.

BURNETT: So, Reihan, let me bring you in on that -- \$600 deducted from your paycheck if you don't meet these criteria. She's saying that could penalize people, that CVS should ask them how CVS can help them live healthier lives, as opposed to a financial incentive.

REIHAN SALAM, CNN CONTRIBUTOR: Look, fundamentally, this isn't about saving employers money, it's actually about saving employees money, because when you get health insurance through your employer, you're part of a common risk pool.

And so, the folks who are actually taking the test, what they're doing is they're making it easier for preventive care to be available to prevent certain people from becoming sick with a chronic disease. And the problem is, if you're not able to make those interventions early on, if you don't take the tests, if you don't take these measures, then you're raising costs for other employers.

So, when you're talking about the penalty, think about it in reverse terms. Think about the fact that people who are monitoring their health right now are themselves taking steps that might be onerous, might be difficult, but they're taking steps that are saving costs for all employees.

And so, what you're asking with this penalty --

PEEL: OK.

SALAM: -- is that you're actually slipping that logic so that you're not just having them be free riders but, rather, having everyone take action.

BURNETT: But, Dr. Peel about that? What if you're fit, you're a nonsmoker --

(CROSSTALK)

BURNETT: Hold on. Why should you have to foot the bill for someone who is none of those things, who eats unhealthily?

PEEL: You don't, you don't.

And the first problem with what Reihan said is these are not risk pools. The insurance business in health care is cost-plus. They don't actually care how sick you are or how well you are.

There's no risk. They know exactly what it's going to cost them every year. There are no risk pools. So everyone is already paying their way.

The second thing is, as a physician, I can tell you for sure, people don't like to be unhealthy. They don't like to feel bad. They don't like to be sick. They don't like to take pills.

They like to have -- they like to feel good and be able to think and play and have fun and be productive. Most people are not trying to be sick. They don't have some interest in being sick or unhealthy.

And that's the whole point. If the employer wants to help they should ask them, how can we help you and then they should guarantee that any help that they get -- BURNETT: Right.

PEEL: -- and any records --

(CROSSTALK)

SALAM: No one is claiming that people want people to be sick. Rather, the idea is when can you make this intervention? If you are able to make the intervention earlier on, you're able to prevent a chronic condition from being exacerbated from causing bigger problems.

And I think the idea that there are no risk pools is a peculiar one. I mean, right now, we're trying to pursue coverage expansion effort. So, there's a larger sense in which we're all part of a shared risk pool, in which when you have a small population that generates very high health costs, it causes problems not only for those people, but for everyone else as well, which is why preventive care has been rightly emphasized by this president and by a lot of other folks.

This is a way to alleviate some of the burdens caused by health expenditures, early detection. And that's what this measure is fundamentally about.

BURNETT: All right. Well, I'm going to hit pause there, but thanks very much to both of you.