Solving DFW’s Biggest Problem: The Uninsured and Underinsured

Ron J. Anderson, MD, FACP
President & CEO
Parkland Health & Hospital System
Solving DFW's Biggest Problem: The Uninsured and Underinsured

If market reforms could have solved the problem...

of the uninsured and underinsured, they would have likely done so in times of low inflation and unemployment.

Instead, the number of uninsured adults continues to rise.

Uninsured Rate for Children and Adults, 2000-2002

Children
- 2000: 12.3%
- 2001: 12.1%
- 2002: 12.0%

Adults
- 2000: 17.9%
- 2001: 18.5%
- 2002: 19.6%

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“It’s hard to grasp the magnitude of the number of uninsured. It exceeds the aggregate population of 24 states.”
—Ronald F. Pollack, Executive Director of Families USA

Number of uninsured rose in 2002

Census Bureau reports largest increase in a decade

WASHINGTON, Sept. 30 — The ranks of the uninsured swelled by 2.4 million last year as insurance costs kept rising and more Americans lost their jobs and health care coverage. The number of people without health insurance the entire year rose to 43.6 million, a jump of almost 6 percent from 2001 and the second consecutive annual increase, the Census Bureau said in a report released Tuesday.
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Archive
The New York Times

NATIONAL DESK | September 30, 2003, Tuesday

BIG INCREASE SEEN IN PEOPLE LACKING HEALTH INSURANCE

By ROBERT PEAR (NYT) 1350 words
Late Edition - Final, Section A, Page 1, Column 6

ABSTRACT - Census Bureau reports total of 43.6 million people, or 15.2 percent of population, lack health insurance following largest increase in decade last year; figure remains lower than recent peak of 16.3 percent in 1998. Continued erosion of employer-sponsored coverage is main reason for latest increase; proportion of Americans with insurance from employers declines to 61.3 percent from 62.6 percent in 2001 and 63.6 percent in 2000; public programs, especially Medicaid, cover more people and cushion loss of employer-sponsored health insurance, but not enough to offset decline in private coverage. Health and Human Services Dept Sec Tommy Thompson calls on Congress to provide tax credits for purchase of private insurance, drop in health coverage in 2002 comes even though total number of people with health insurance increased by 1.5 million, to 242.4 million, graph (NJ)

‘When you have a system that’s so dependent on employers, it’s hard to expect employers to maintain health insurance when they are trying to maintain their business.’

JOHN HOLAHAN
Health care policy expert at the Urban Institute

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2003 figures indicate about 45 million Americans were uninsured.

Source: Austin American-Statesman, Friday, August 27, 2001
At a single point in time in 2002, 43.3 million Americans under 65 did not have health insurance.

- Private/Other: 68.6%
- Medicaid: 14.1%
- Uninsured: 17.3%

Source: The Kaiser Commission on Medicaid and the Uninsured. The Uninsured: A Primer From http://www.kff.org/insurance/
Even more lacked coverage at some point during the year of 2002.

Number of Nonelderly Uninsured and Duration of Lack of Coverage, 2002

<table>
<thead>
<tr>
<th>Coverage Duration</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uninsured &lt;6 months</td>
<td>11 million</td>
<td>22%</td>
</tr>
<tr>
<td>Uninsured 6-11 months</td>
<td>12 million</td>
<td>25%</td>
</tr>
<tr>
<td>Uninsured 12+ months</td>
<td>26 million</td>
<td>53%</td>
</tr>
</tbody>
</table>

Uninsured at single point in time: 37 million (17.3%)

Uninsured at Some Point During a 12-Month Period: 49 million

Census 2000

09/30/2003

Texas still last on health coverage list

Nearly a quarter of residents in Texas lack health coverage — a larger percentage than in any other state — and the situation has been getting worse, according to a U.S. Census Bureau report to be released today. The survey shows 24.7 percent of state residents had no insurance during the two-year period ending last December.

04/17/2003

Rockwall County growth rate leads U.S.

But census estimates show much of Texas is losing population.

• More census stories

03/26/2003

More minority farms plant route in U.S.

As Neng Fong looks around at the bok choy, Chinese broccoli and other Asian vegetables he grows on the 10 acres he has leased from a local farmer, he dreams of owning his own farm someday. More and
Texas has most uninsured in U.S., and it’s getting worse.

<table>
<thead>
<tr>
<th>State</th>
<th>2000-01 Avg</th>
<th>2001-02 Avg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Idaho</td>
<td>15.7%</td>
<td>16.9%</td>
</tr>
<tr>
<td>Alaska</td>
<td>17.3%</td>
<td>17.3%</td>
</tr>
<tr>
<td>Arizona</td>
<td>17.3%</td>
<td>17.4%</td>
</tr>
<tr>
<td>Florida</td>
<td>17.6%</td>
<td>17.4%</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>18.6%</td>
<td>17.8%</td>
</tr>
<tr>
<td>Nevada</td>
<td>16.5%</td>
<td>17.9%</td>
</tr>
<tr>
<td>California</td>
<td>19.0%</td>
<td>18.8%</td>
</tr>
<tr>
<td>Louisiana</td>
<td>18.7%</td>
<td>18.8%</td>
</tr>
<tr>
<td>New Mexico</td>
<td>22.4%</td>
<td>20.9%</td>
</tr>
<tr>
<td><strong>Texas</strong></td>
<td><strong>23.2%</strong></td>
<td><strong>24.7%</strong></td>
</tr>
<tr>
<td>United States</td>
<td>14.4%</td>
<td>14.9%</td>
</tr>
</tbody>
</table>

- Relatively weak social programs
- High unemployment
- Heavy migrant population
- Service-based economy

Source: US Census Bureau, Supplements to Current Population Survey
Solving DFW's Biggest Problem: The Uninsured and Underinsured

September 7, 2004

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12

Texans are more likely than other Americans to lack coverage at some time during the year.

Percent of Nonelderly Who Are Uninsured for At Least 12 Months, In Selected States, 1999

It is practically impossible to estimate the number of underinsured.

- Problems:
  - No standard definition of underinsured
  - Difficulties in determining details of insurance status
- Indication of problem magnitude:
  - Two-fifths of insured people with incomes below $35,000 still have difficulty obtaining needed care or paying medical bills, despite having coverage (*Duchon et al., Security Matters.*)
  - 28% of people who filed for bankruptcy
Who are the uninsured?
Solving DFW's Biggest Problem: The Uninsured and Underinsured

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Low-income young adult men (19 to 35 years) are at greatest risk for being uninsured.

<table>
<thead>
<tr>
<th>Group</th>
<th>% Uninsured</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children</td>
<td>21%</td>
</tr>
<tr>
<td>Women 55-64</td>
<td>25%</td>
</tr>
<tr>
<td>Women 35-54</td>
<td>35%</td>
</tr>
<tr>
<td>Women 19-34</td>
<td>38%</td>
</tr>
<tr>
<td>Men 55-64</td>
<td>25%</td>
</tr>
<tr>
<td>Men 35-54</td>
<td>42%</td>
</tr>
<tr>
<td>Men 19-34</td>
<td>50%</td>
</tr>
</tbody>
</table>

*200% FPL = $28,696 for family of 3 in 2002

Minorities, especially those with low income, are at greater risk for being without insurance.

Non-citizens are at much higher risk of being uninsured than naturalized or native citizens.

- Non-citizen, Resident 6+ years: 42%
- Non-citizen, Resident <6 years: 53%
- Naturalized: 22%
- Native: 16%

79% of the uninsured are American citizens.

- Native Citizens: 74%
- Naturalized Citizens: 5%
- Non-citizens, Residents 6+ years: 12%
- Residents <6 years: 9%

Medicaid protects some of the poor and near poor, but not all.

<table>
<thead>
<tr>
<th>Income Level</th>
<th>All Incomes</th>
<th>High (400%+ FPL)</th>
<th>Middle (200-399% FPL)</th>
<th>Near Poor (100-199% FPL)</th>
<th>Poor (&lt;100% FPL)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Employer</td>
<td>Medicaid</td>
<td>Private Non-Group</td>
<td>Uninsured</td>
<td>Employer</td>
</tr>
<tr>
<td>All incomes</td>
<td>63%</td>
<td>14%</td>
<td>8%</td>
<td>17%</td>
<td></td>
</tr>
<tr>
<td>High (400%+ FPL)</td>
<td>88%</td>
<td>7%</td>
<td>14%</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>Middle (200-399% FPL)</td>
<td>73%</td>
<td>7%</td>
<td>14%</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>Near Poor (100-199% FPL)</td>
<td>42%</td>
<td>24%</td>
<td>6%</td>
<td>28%</td>
<td></td>
</tr>
<tr>
<td>Poor (&lt;100% FPL)</td>
<td>15%</td>
<td>41%</td>
<td>7%</td>
<td>37%</td>
<td></td>
</tr>
</tbody>
</table>

Rates vary from state to state, but Texas has the highest percentage of uninsured adults (18-64 years).

Differences carry through to low-income adults (18-64 years), where Texas again has the most uninsured (45% compared to next highest, Nevada with 39%).

Among American adults (18-64 years), 1 out of every 3 low-income persons is uninsured compared to 1 in 5 of the general population.

Low-Income (85.7 million) General Population (173.6 million)

81% of the uninsured come from working families, 69% with at least one full-time worker.

- No workers: 19%
- Only part-time workers: 12%
- 2 or more full-time workers: 14%
- 1 full-time worker: 55%

Part-time workers are uninsured as often as the unemployed.

<table>
<thead>
<tr>
<th>Workers Status</th>
<th>% Uninsured</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Workers</td>
<td>30%</td>
</tr>
<tr>
<td>Only Part-time</td>
<td>31%</td>
</tr>
<tr>
<td>1 Full-time</td>
<td>18%</td>
</tr>
<tr>
<td>2+ Full-time</td>
<td>8%</td>
</tr>
</tbody>
</table>

National rate = 17.3%

### Family income strongly determines whether a person has employer-sponsored insurance.

<table>
<thead>
<tr>
<th>Family Income Level</th>
<th>Employer-based</th>
<th>Private Non-group</th>
<th>Medicaid</th>
<th>Uninsured</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 Full-time</td>
<td>44%</td>
<td>4%</td>
<td>23%</td>
<td>29%</td>
</tr>
<tr>
<td>1 Full-time</td>
<td>38%</td>
<td>5%</td>
<td>25%</td>
<td>32%</td>
</tr>
<tr>
<td>Only Part-time</td>
<td>22%</td>
<td>11%</td>
<td>31%</td>
<td>36%</td>
</tr>
<tr>
<td>Non-workers</td>
<td>13%</td>
<td>5%</td>
<td>49%</td>
<td>32%</td>
</tr>
<tr>
<td>2 Full-time</td>
<td>88%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Full-time</td>
<td>79%</td>
<td>5%</td>
<td>11%</td>
<td>18%</td>
</tr>
<tr>
<td>Only Part-time</td>
<td>55%</td>
<td>16%</td>
<td>11%</td>
<td>18%</td>
</tr>
<tr>
<td>Non-workers</td>
<td>47%</td>
<td>13%</td>
<td>27%</td>
<td>13%</td>
</tr>
</tbody>
</table>

**Source:** The Kaiser Commission on Medicaid and the Uninsured. Health Insurance Coverage in America: 2002 Data Update. December 2003
Solving DFW's Biggest Problem: The Uninsured and Underinsured

Over 60% of uninsured Americans live in families with children.

Children in low-income families are at greater risk for being uninsured.

<table>
<thead>
<tr>
<th>Income Level</th>
<th>% Uninsured</th>
<th>Public</th>
<th>Private</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Incomes</td>
<td>63%</td>
<td>25%</td>
<td>12%</td>
</tr>
<tr>
<td>400%+ FPL</td>
<td>93%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>200-399% FPL</td>
<td>80%</td>
<td>12%</td>
<td>8%</td>
</tr>
<tr>
<td>150-199% FPL</td>
<td>55%</td>
<td>31%</td>
<td>15%</td>
</tr>
<tr>
<td>100-149% FPL</td>
<td>45%</td>
<td>38%</td>
<td>17%</td>
</tr>
<tr>
<td>&lt;100% FPL</td>
<td>17%</td>
<td>58%</td>
<td>25%</td>
</tr>
</tbody>
</table>

Family structure is also a factor in lack of insurance for children, especially those in low-income families.

<table>
<thead>
<tr>
<th>Family Structure</th>
<th>All Children</th>
<th>Low Income Children</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multigenerational/Other</td>
<td>28.9%</td>
<td>31.4%</td>
</tr>
<tr>
<td>2 Parents</td>
<td>9.2%</td>
<td>20.8%</td>
</tr>
<tr>
<td>1 Parent</td>
<td>14.1%</td>
<td>16.4%</td>
</tr>
</tbody>
</table>

Coverage varies among states for children much as it did for adults.

Low-income children are more likely than adults to be covered by public programs, but a significant number are still uninsured—more in Texas than other states.

Texas’s situation is worsening with last year’s policy changes.

- Changes to Medicaid and SCHIP eligibility and benefits
  - Reduced continuous coverage from 12 to 6 months
  - Established 90-day waiting period
  - Increased premiums, especially for families with incomes between 101-150% FPL
  - Increased copayments
  - Eliminated previously-covered services (dental, hospice, skilled nursing, vision care, eyeglasses)
  - Reduced by 50% coverage of mental health and substance abuse services
  - Reduced payment rates to some providers

http://www.kff.org/medicaid/*
SCHIP enrollment in Texas has dropped 29% (149,000 children) since January 2004.

- Fewer children are being enrolled
- More enrolled children are being disenrolled
- Downward decline expected to intensify with end of moratorium on terminations for nonpayment of premiums and application of new asset limit, scheduled for August 2004.

Lower income families are disproportionately affected.

Change in Texas SCHIP Enrollment, by Income
September 2003-June 2004

\[
\begin{array}{ccc}
\text{<=150\% FPL} & \text{>150\% FPL} & \text{Total Change in Enrollment} \\
15,215.00 & 15,215.00 & \\
(164,224.00) & (149,029.00) & \\
\end{array}
\]

http://www.kff.org/medicaid/
Solving DFW's Biggest Problem: The Uninsured and Underinsured

Medicaid enrollment for Texas children has also slowed.

Average Monthly Enrollment Growth for Texas Children in Medicaid, FY 2001-2004

<table>
<thead>
<tr>
<th>Year</th>
<th>Change in Enrollment</th>
<th>Simplification of application and renewals</th>
<th>Rolled back some simplification measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2001</td>
<td>97,836</td>
<td>0.8%</td>
<td></td>
</tr>
<tr>
<td>FY2001</td>
<td>317,756</td>
<td>2.2%</td>
<td></td>
</tr>
<tr>
<td>FY2003</td>
<td>251,692</td>
<td>1.4%</td>
<td></td>
</tr>
<tr>
<td>FY2004</td>
<td>108,652</td>
<td>0.7%</td>
<td></td>
</tr>
</tbody>
</table>

http://www.kff.org/medicaid/
Why don’t they have insurance?
Most Americans under age 65 get health insurance coverage as an employee benefit.

Health Insurance Coverage of Non-elderly Population

- Employer-sponsored: 64%
- Medicaid/Other Public: 14%
- Private nongroup: 5%
- Uninsured: 17%

Source: The Kaiser Commission on Medicaid and the Uninsured. The Uninsured: A Primer Key Facts about Americans without Health Insurance. December 2003
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Job losses caused by sluggish economy led to fewer people covered by employer health plans.

<table>
<thead>
<tr>
<th>Source</th>
<th>1997</th>
<th>1999</th>
<th>2001</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer</td>
<td>65.1%</td>
<td>66%</td>
<td>67%</td>
<td>63.4%</td>
</tr>
<tr>
<td>Other private</td>
<td>6.9%</td>
<td>6.7%</td>
<td>6.0%</td>
<td>5.5%</td>
</tr>
<tr>
<td>Public insurance</td>
<td>7.6%</td>
<td>8.3%</td>
<td>8.9%</td>
<td>11.9%</td>
</tr>
<tr>
<td>Other coverage</td>
<td>4.9%</td>
<td>4.0%</td>
<td>3.9%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Uninsured</td>
<td>15.4%</td>
<td>15.1%</td>
<td>14.1%</td>
<td>15.0%</td>
</tr>
</tbody>
</table>

Note: Public insurance includes state programs and Medicaid. Other coverage includes Medicare, military insurance, Indian Health Service and miscellaneous other coverage. Source: HSC Community Tracking Survey

Source: USA Today. August 3, 2004
Some types of businesses are less likely to offer insurance to their employees.

- Agriculture/Fish/Forest: 29.1%
- Other Services: 46.1%
- Utilities/Transportation: 60.6%
- Professional Services: 60.9%
- Retail: 62.6%
- Finance/Real Estate: 70.0%
- Wholesale Trade: 70.2%
- Mining/Manufacturing: 75.0%

Small firms are less likely to offer insurance than large firms.

<table>
<thead>
<tr>
<th>Firms by Number of Employees</th>
<th>% Offering Health Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;10</td>
<td>36.8%</td>
</tr>
<tr>
<td>10 to 24</td>
<td>67.8%</td>
</tr>
<tr>
<td>25 to 99</td>
<td>82.4%</td>
</tr>
<tr>
<td>100 to 999</td>
<td>95.4%</td>
</tr>
<tr>
<td>&gt;1,000</td>
<td>98.8%</td>
</tr>
<tr>
<td>All</td>
<td>57.2%</td>
</tr>
</tbody>
</table>

But a disturbing trend has begun.

Uninsured rates have risen at firms of all sizes, but the rate in large firms rose faster: **57%** compared to 25% for small firms and 27% for medium firms.

**Trend in Uninsured Rate by Firm Size, 1987-2001**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Small (&lt;100)</td>
<td>20</td>
<td>23</td>
<td>24</td>
<td>25</td>
</tr>
<tr>
<td>Medium (100-499)</td>
<td>11</td>
<td>13</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>Large (500+)</td>
<td>7</td>
<td>9</td>
<td>10</td>
<td>11</td>
</tr>
</tbody>
</table>

Workers in large firms and their dependents “comprise a significant and growing share of the working uninsured”

- Combination of factors responsible for falling health coverage rates in large firms
  - Changing structure of large corporations
  - Decline in manufacturing jobs
  - Decline in unionization rates
  - Restrictions placed on benefit eligibility
  - Higher employee premium contributions

Workers to pick up more of their health care load

02:15 PM CDT on Saturday, October 4, 2002

By ROGER YU / The Dallas Morning News

As the open-enrollment period for health benefits begins in earnest this month, human resources departments are delivering a tough message: Health care is expensive, and employees need to become savvier consumers.

Workers need to review all those unread memos describing their choices in health plans, employers say, and put as much effort into researching their allergy drugs as they would before buying a DVD player.

"More of our clients are having open dialogues about where the true costs of health care are going," said Steve Harris, a benefits...
Employee contributions, especially for family coverage, rose sharply from 2002 to 2003.

<table>
<thead>
<tr>
<th>Employee contributions as a % of premium* for:</th>
<th>2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>PPO employee-only coverage</td>
<td>27%</td>
<td>27%</td>
</tr>
<tr>
<td>PPO family coverage</td>
<td>53%</td>
<td>58%</td>
</tr>
<tr>
<td>HMO employee-only coverage</td>
<td>31%</td>
<td>35%</td>
</tr>
<tr>
<td>HMO family coverage</td>
<td>50%</td>
<td>57%</td>
</tr>
</tbody>
</table>

* When employee contribution required

Employees also paid more out of pocket – 10% or more in all categories.

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>PPO In-network deductible of $1,000 or more (% of employers)</td>
<td>20%</td>
<td>34%</td>
</tr>
<tr>
<td>PPO In-network Individual out-of-pocket maximum (median)</td>
<td>$1,500</td>
<td>$2,000</td>
</tr>
<tr>
<td>HMO hospital deductible required (% of employers)</td>
<td>45%</td>
<td>50%</td>
</tr>
<tr>
<td>HMO office visit copay of $20 or more (% of employers)</td>
<td>22%</td>
<td>33%</td>
</tr>
</tbody>
</table>

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Employers plan more cost-shifting measures as they struggle with rising health care costs.

Projected Methods of Cost-Shifting by Employers in 2004

- No Cost Shifting Planned: 42%
- Increase Employee Contributions: 25%
- Increase cost-sharing through plan design changes: 23%
- Reduce Covered Services: 10%

Most of the uninsured don’t have insurance because they can’t afford it.

- Don’t want or need it: 7%
- Change in employment: 9%
- No employer coverage: 10%
- Too expensive: 55%

Increases in health insurance premiums have forced some eligible employees to decline coverage.

Increase in Health Insurance Premiums Compared to Other Indicators, 1988-2003

Cost of family coverage can be a significant burden.

- Average monthly premium:
  - Individual coverage is $282
  - Family coverage is $756
- A family of 4 living on $55,000/year, which is 300% FPL, would pay almost $9,100 a year—15% of gross income

What are the consequences of lacking insurance?
Insurance coverage makes a difference where health care is obtained.

Sources of Care By Insurance Status, 2003

<table>
<thead>
<tr>
<th>Source of Care</th>
<th>Insured</th>
<th>Uninsured</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular Source of Care</td>
<td>91%</td>
<td>58%</td>
</tr>
<tr>
<td>Doctor's Office</td>
<td>74%</td>
<td>37%</td>
</tr>
<tr>
<td>Health Care Clinic</td>
<td>18%</td>
<td>30%</td>
</tr>
<tr>
<td>Emergency Room</td>
<td>3%</td>
<td>19%</td>
</tr>
</tbody>
</table>

Uninsured are more likely to postpone or forgo needed care.

Barriers to Health Care by Insurance Status, 2003

- **Postponed seeking care because of cost**
  - Insured: 15%
  - Uninsured: 47%

- **Needed care but did not get it because of cost**
  - Insured: 9%
  - Uninsured: 35%

- **Did not fill prescription because of cost**
  - Insured: 13%
  - Uninsured: 37%

- **Skipped recommended treatment because of cost**
  - Insured: 13%
  - Uninsured: 35%

Both insured and uninsured adults who forgo needed care face serious consequences.

Consequences of Not Getting Care by Insurance Status, 2003

- Painful temporary disability
  - Insured: 52%
  - Uninsured: 57%

- Significant loss of time at important life activities
  - Insured: 42%
  - Uninsured: 50%

- Long-term disability
  - Insured: 15%
  - Uninsured: 19%

Medical bills are a greater burden for the uninsured.

Financial Burden of Medical Bills by Insurance Status, 2003

- Had Problem Paying Medical Bills: 16% (Insured), 36% (Uninsured)
- Changed Way of Life Significantly to Pay Medical Bills: 9% (Insured), 23% (Uninsured)
- Contacted by Collection Agency about Medical Bills: 8% (Insured), 23% (Uninsured)

Increasing, the uninsured are more likely to be hospitalized for problems that could have been prevented by timely and appropriate outpatient care.

Hospitalization Rates for Avoidably Conditions by Insurance Status, 1980-98

Uninsured are more likely to be diagnosed in later stages of cancer.

Diagnosis of Late-Stage Cancer: Uninsured vs. Privately Insured with Commercial Indemnity Plans, 1994

Ratio of the Probability of Diagnosis of Late vs. Early Stage Cancer

- Colorectal Cancer: 1.7
- Melanoma: 2.6
- Breast Cancer: 1.4
- Prostate Cancer: 1.5

Equally likely to have late-stage cancer

Ratio of Risk of Death

- Colorectal Cancer: 1.7

Equal chance of death**

**Among cancer cases identified in 1994; mortality follow-up through 1997

Uninsured adults hospitalized for heart attacks are 25% more likely to die.

<table>
<thead>
<tr>
<th>Cardiac Procedures</th>
<th>Mortality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Likelihood of procedure when hospitalized for heart attack</td>
<td></td>
</tr>
<tr>
<td>Acute Reperfusion Therapies</td>
<td>0.97</td>
</tr>
<tr>
<td>Cardiac Catheterization</td>
<td>0.64</td>
</tr>
<tr>
<td>Catheter-based Revascularization</td>
<td>0.86</td>
</tr>
<tr>
<td>Coronary Artery Bypass Surgery</td>
<td>0.78</td>
</tr>
<tr>
<td>Adjusted In-hospital Mortality</td>
<td>1.29</td>
</tr>
</tbody>
</table>

Equal likelihood between uninsured and commercial patients

Note: Data adjusted for social and demographic factors and symptoms and comorbidities common among cardiac patients. All differences are statistically significant except acute reperfusion therapies.

Uninsured adults hospitalized for traumatic injury are more likely to die.

<table>
<thead>
<tr>
<th>Ratio of the Probability of Treatment and Mortality</th>
<th>0.97</th>
<th>0.68</th>
<th>0.61</th>
<th>2.15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intensive Care Unit Use</td>
<td>Equal likelihood between uninsured and private insurance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surgical Procedure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Physical Therapy</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In-hospital Mortality</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Ages 15-64, 1990. Odds ratios are adjusted for age, sex, race, injury severity score and comorbidity. All differences are statistically significant except intensive care unit use.

Babies of uninsured mothers are at higher risk of infant mortality.

Ratio of Risk of Infant Death Among Low-Income Families*

- Neonatal Period (Uninsured/Privately Insured Mothers): 1.6
- Post-Neonatal Period (Uninsured/Privately Insured Infants): 1.5

Equal risk of death

Note: 1998. Odds ratios are adjusted for mother’s age, education, race, income, health and pregnancy history, and WIC participation. Neonatal period is first 28 days of life. Low-income is defined as less than 185% FPL.

Being uninsured carries a higher risk of premature death for many.

Uninsured vs. Employer-based Coverage Among 25-64 Year Olds Over a Five-year Period, 1982-87

Note: All differences are statistically significant after adjusting for age and income except for black women.

Higher co-payments cause more patients to give up needed medication.

- Study looked at an unidentified company that revised its prescription program from a co-pay of $7 per prescription to a 3-tiered system charging per-prescription co-pays of $8 for generic drugs, $15 for “approved” brand-name drugs and $30 for unapproved drugs
  - People in the new system were 3 times as likely to stop taking ACE inhibitors for blood pressure than workers in a different company who continued to pay $7
  - Twice as many stopped taking cholesterol-lowering drugs
  - Significant rise in number who gave up medication to relieve excess stomach acid

Solving DFW's Biggest Problem: The Uninsured and Underinsured

September 7, 2004

Ron J. Anderson, MD, FACP

Parkland uses free and low-cost drug programs to offset drug costs.

- Projected savings of $19,649,900 in FY 2004
- Texas Department of Health
  - $9 million for HIV drugs
  - $3 million for vaccines
- Approximately 35 drug companies
  - $7.6 million for various drugs
Increasing the number of community health centers is not an adequate substitute for expanding health insurance coverage.

- For uninsured patients, Community Health Centers
  - Can provide primary care, medications and medical supplies on-site, but
  - Are limited in their ability to provide diagnostic, specialty and behavioral health services.
  - Have more difficulty arranging specialty or nonemergency hospital care than for insured patients.
- Uninsured patients often fail to receive services for which they are referred

Percentage of Community Health Center Medical Directors Who Agree or Strongly Agree with Statements about Care They Provide Their Patients, 2001

- Can provide high-quality care to patients
- Can maintain continuing relationships with patients
- Can communicate with specialists
- Have adequate time to spend with patients

Solving DFW's Biggest Problem: The Uninsured and Underinsured

Ron J. Anderson, MD, FACP

Percentage of Community Health Center Medical Directors Who Report that Additional Care Can Be Provided for Their Patients Frequently or Very Frequently, 2001

Can provide all necessary services using health center's resources
Can obtain nonemergency admissions
Can obtain Specialty referrals

What can we do to address these problems?
Health insurance coverage faces serious challenges.

- Maintaining coverage in a weak economy
- Extending affordable yet comprehensive coverage
- Avoiding disruption of current public and private coverage
- Targeting policies to the population most in need
- Agreeing on a viable approach
- Finding the resources to achieve coverage

Address growing gaps in employee health coverage.

- Reforms for all businesses:
  - Removing barriers to coverage in firms that generally offer health insurance (waiting periods, restrictions for part-time workers)
- Reforms for large businesses:
  - Allowing large-business workers to participate in alternative group health coverage options
  - Requiring that all large firms offer and possibly contribute to coverage of employees
  - Not excluding those who work in large firms from programs that assist low-income people in affording health insurance

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Make better use of Section 1115 waivers to expand coverage.

- Waiver program launched August 2001, but has resulted in only an increase of some 202,000 individuals covered.

Texas HB 31222 Medicaid Demonstration Projects

- Passed in the 78th Legislature
- Sets up Task Force to develop 2 demonstration projects:
  - One would provide health care to low-income parents of children receiving Medicaid who are at or below 100% FPL
  - The other would provide health coverage to parents of Medicaid or CHIP children and would partner with employers to offer health benefits
  - Would use Medicaid 11115 waiver with more flexibility than current Medicaid program to expand services
  - Must be budget neutral by capping Medicaid enrollment, limiting services and imposing new costs on beneficiaries in order to expand services
In the short term, for low-income children...

- Extend coverage to all low-income children from 200% to 250% of FPL
- Base eligibility on income, not age or assets
- Develop a user-friendly enrollment process
- Assure continuous coverage
- Align Medicaid and CHIP enrollment procedures and coordinate across programs
- Apply minimum standards across all states

Source: The Kaiser Commission on Medicaid and the Uninsured 2000. Building on Medicaid to Cover the Low-Income Uninsured
In the short term, for low-income parents...

- Allow poor parents to “buy in” to Medicaid or CHIP on a sliding scale
- Exercise states’ option of covering parents to the same levels as their children (up to 250% FPL) with state and/or local dollars
- Apply enrollment streamlining strategies to Medicaid and CHIP
- Maintain Medicaid coverage when families leave welfare

Source: The Kaiser Commission on Medicaid and the Uninsured 2000. Building on Medicaid to Cover the Low-Income Uninsured
In the short term, for low-income childless adults...

- Allow employers of low-income workers to buy in to Medicaid and/or CHIP
- Base eligibility on income only and eliminate categorical restrictions
- Broaden eligibility to all people living in poverty, including childless adults
- Give states the option to extend eligibility to all low-income people up to 200% of FPL

Source: The Kaiser Commission on Medicaid and the Uninsured 2000. Building on Medicaid to Cover the Low-Income Uninsured
In the long term...

• Revisit the concept of universal coverage to create an accountable health system for US
  • Create incentives that manage costs by improving care and supporting health so that fewer people in the community need costly care
  • Support “co-opitition” and collaboration rather than market-based competition
  • Seek “common ground” interventions with colleagues and competitors for community benefit (accountability)
Universal coverage might help spur job growth and economy.

- Laura D. Tyson, economist and advisor to former President Bill Clinton, notes, “We’re losing jobs in high-wage, high-benefit sectors like manufacturing, where employers are responding to this surge in health care costs.” Her recent report shows:
  - Industries with more healthcare benefits, like the auto industry, have suffered large job losses
  - At the same time industries that offer fewer benefits, like food service, have shown the largest job growth
  - Anecdotal evidence from employers supports the claim that high healthcare costs are depressing job growth

Covering The Uninsured: How Much Would It Cost?

The cost of additional medical care used by newly insured Americans would be lower than most people think, this analysis confirms.

by Jack Hadley and John Holahan

**ABSTRACT:** To provide benchmarks for evaluating the costs of alternative proposals to provide insurance coverage for the uninsured, this study presents two sets of cost estimates derived from medical spending patterns of lower- or middle-income people with private insurance plans and those of people with public insurance coverage during 1996–1998. The analysis suggests that the uninsured would use $33.9–$68.7 billion (in 2001 dollars) in additional medical care if they were fully insured. An increase in medical spending of this range would increase total health care spending by 3–6 percent and would raise health care’s share of GDP by less than one percentage point.

Source: Health Affairs. Data Watch. 4 June 2003. From http://content.healthaffairs.org/cgi/reprint/hlthaff.w3.250v1
Regardless of the reimbursement structure and the problem of the uninsured, we must...

- Improve the infrastructure.
- Commit to outcomes measurement and evidence-based practice.
- Manage care, not only costs.
- Reward value-added (quality/access) better outcomes, not just lower costs.
- Improve the health of communities, not just “enrolled members.”
The health of the people is really the foundation upon which their happiness and all their powers as a state depend.

Benjamin Disraeli
In our every deliberation, we must consider the impact of our decision on the next seven generations.

From the Great Law of the Six Nations Iroquois Confederacy