

The Cost of Health Care Vs. Prevention

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Outline

- US Health Care Best in the World
- Data on Uninsured
- Limitations of Current Strategies
- What is National Health Insurance
- Economic Analyses supporting NHI
- What can you do

We have the best health care system in the world!!!

- We hear this from politicians all the time
- Richest / most powerful from all over the world come here for care
- We have the most advanced technology
- So why do we need health system reform?

Per Capita Health Spending

	Per Capita	% GDP
USA	\$5,267	14.6%
Switzerland	\$3,446	11.2%
Germany	\$2,817	10.9%
Canada	\$2,931	9.6%
U.K.	\$2,160	7.7%



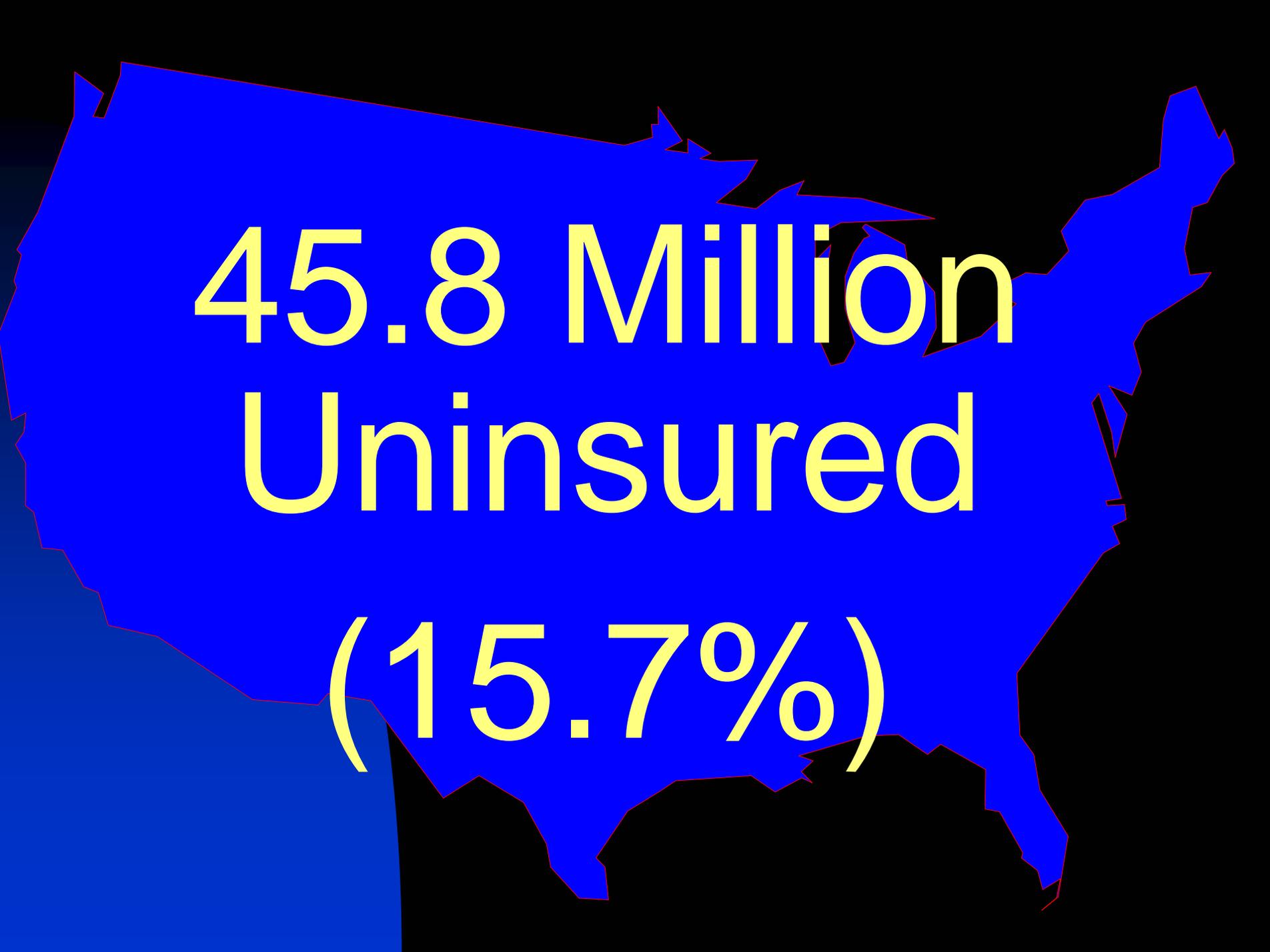
US Health Care v.s. Other Countries

Country	Life Expectancy At birth 2001	% of GDP on Health 2000	Per capita total expenditure on health (US \$), 2000
USA	77 yrs	13%	\$4, 499
Canada	79 yrs	9%	\$2,058
UK	78 yrs	7%	\$1,747
Argentina	74 yrs	9%	\$ 658
Cuba	77 yrs	7%	\$169
Dom Rep	67 yrs	6%	\$151
Guatemala	66 yrs	5%	\$79
Guyana	64 yrs	5%	\$48

Why we need reform

- \$\$\$\$\$
- Malpractice
- Lack of IT

- Quality
- The Uninsured
- Health Disparities

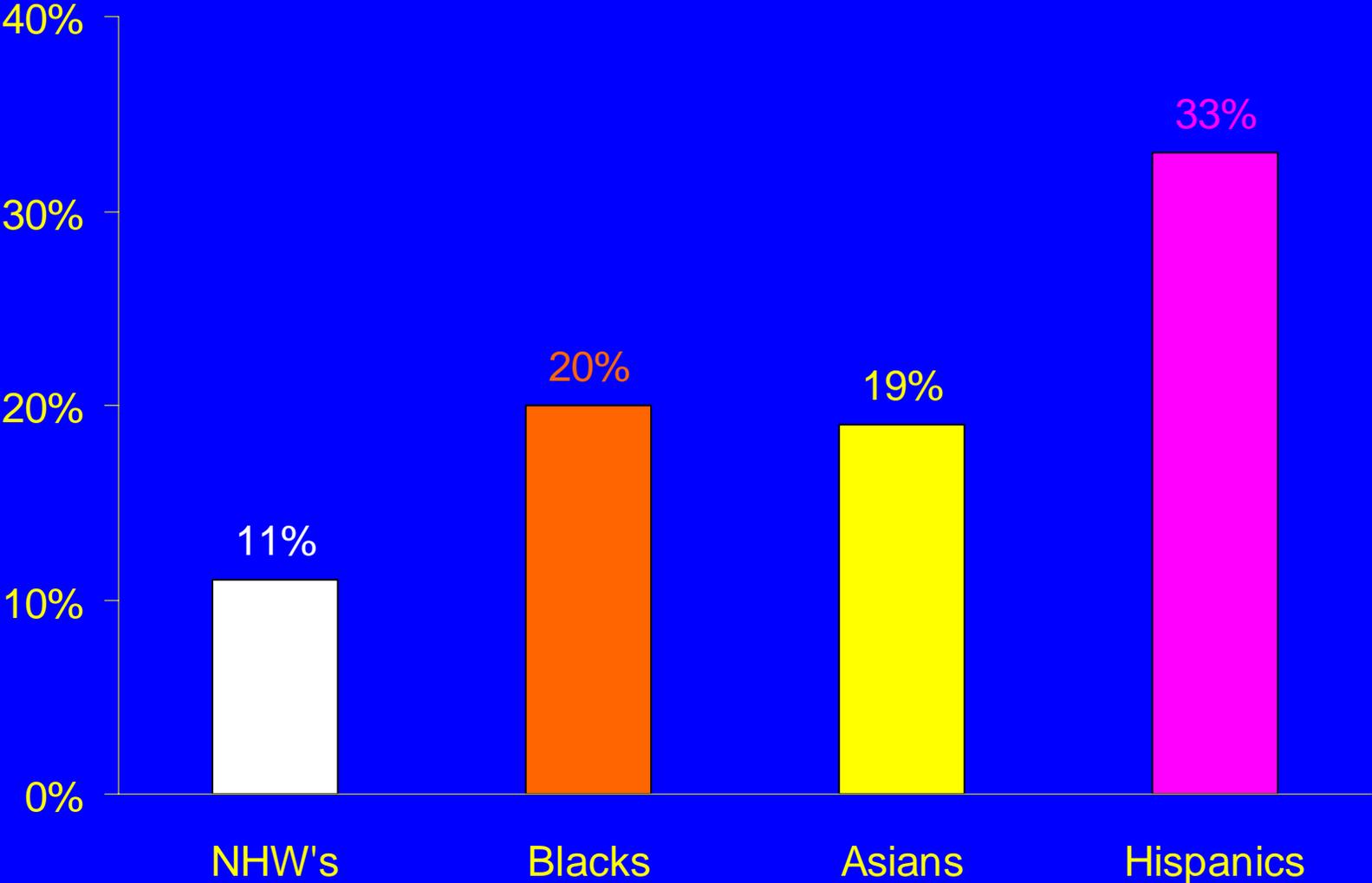


45.8 Million
Uninsured
(15.7%)

Is Health Insurance Important??

- Of all the determinants of access to care insurance is by far most important !!!!
- Less likely to have usual source of care
- More likely to have unmet health care needs
- More likely to rely on emergency room for care
- Less likely to have preventive health services- Pap smears, mammograms, immunizations
- Higher preventable hospitalization rates
- Higher adjusted mortality rates
- 18,000 deaths per year

Racial and Ethnic Disparities in Health Insurance Coverage :2004



Source: 2005 Current Population Survey

Cause of Health Disparities

- While there are many causes of racial and ethnic disparities in health outcomes, the link between race, ethnicity and insurance status restricts access to care for people of color and is the biggest cause of health disparities

Health Data Illustrates Inferior Health Outcomes for Minorities

- Black and Latinos in my home state (New York) are more than twice as likely as whites to be uninsured

The IOM Disparities Report

- Charge: Assess the extent of racial and ethnic differences in health care that are not otherwise attributable to known factors such as insurance /ability to pay
- This is somewhat artificial as many access- related factors affect the quality and intensity of health services.
- These access-related factors are likely the most significant barriers to equitable care and must be addressed as an important first step to eliminating disparities

Immigrants Are Most Severely Affected

- Among adults who have health care coverage, foreign born adults under age 65 who speak Spanish are nearly twice as likely as those who speak English to report being unable to obtain medical care when needed
- Language Barriers Affect even those who have health care coverage

Change in # Uninsured (1,000)

	1992	2004
Hispanics	8,441	13,678
Blacks	6,567	7,186
NHWs	21,719	21,983

Source:

AJPH 1999;89:36-41

Harvard J Hisp Policy 2000;12:33-46.

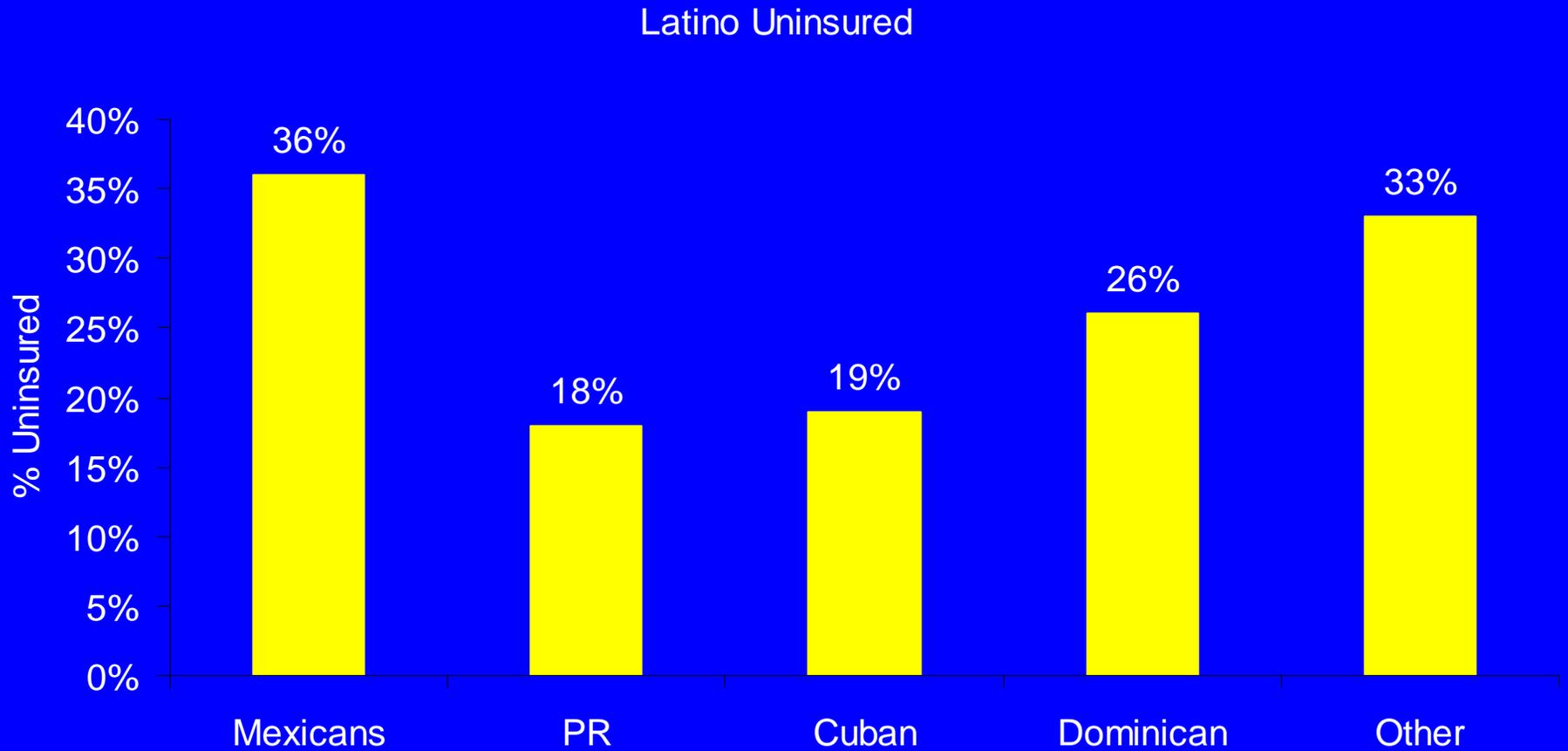
JAMA 2003 289;9:1167

NHWs: No longer a majority of the uninsured:

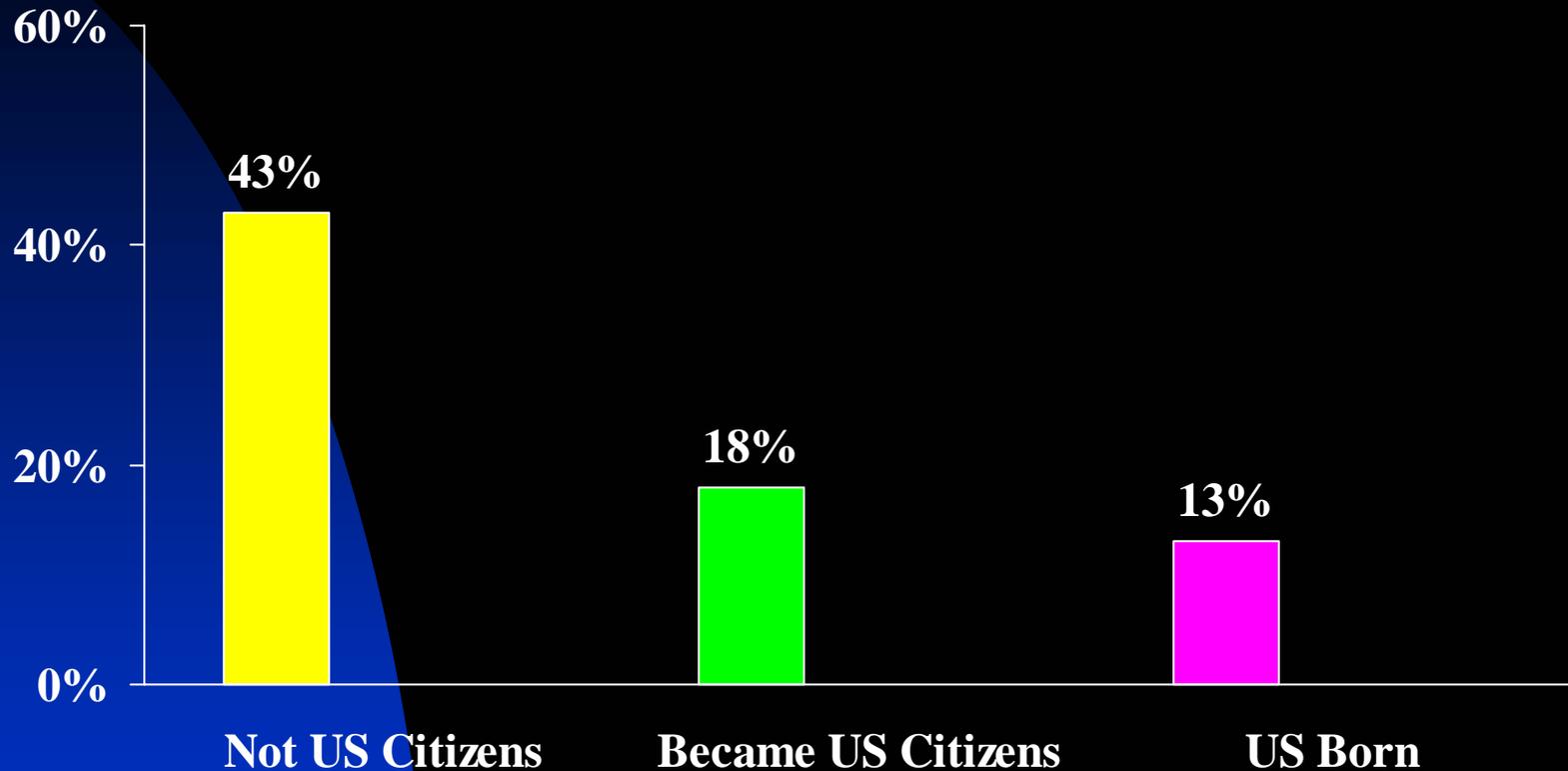
Trends in composition of uninsured population

	1987		2004
NHWS	58%	NHWS	48%
Blacks	19%	Blacks	16%
Hispanics	19%	Hispanics	30%
Asians	3%	Asians	5%

LATINO UNINSURED



Insurance Data Coverage by Immigrant Type



Uninsured

8.9 million

2.3 million

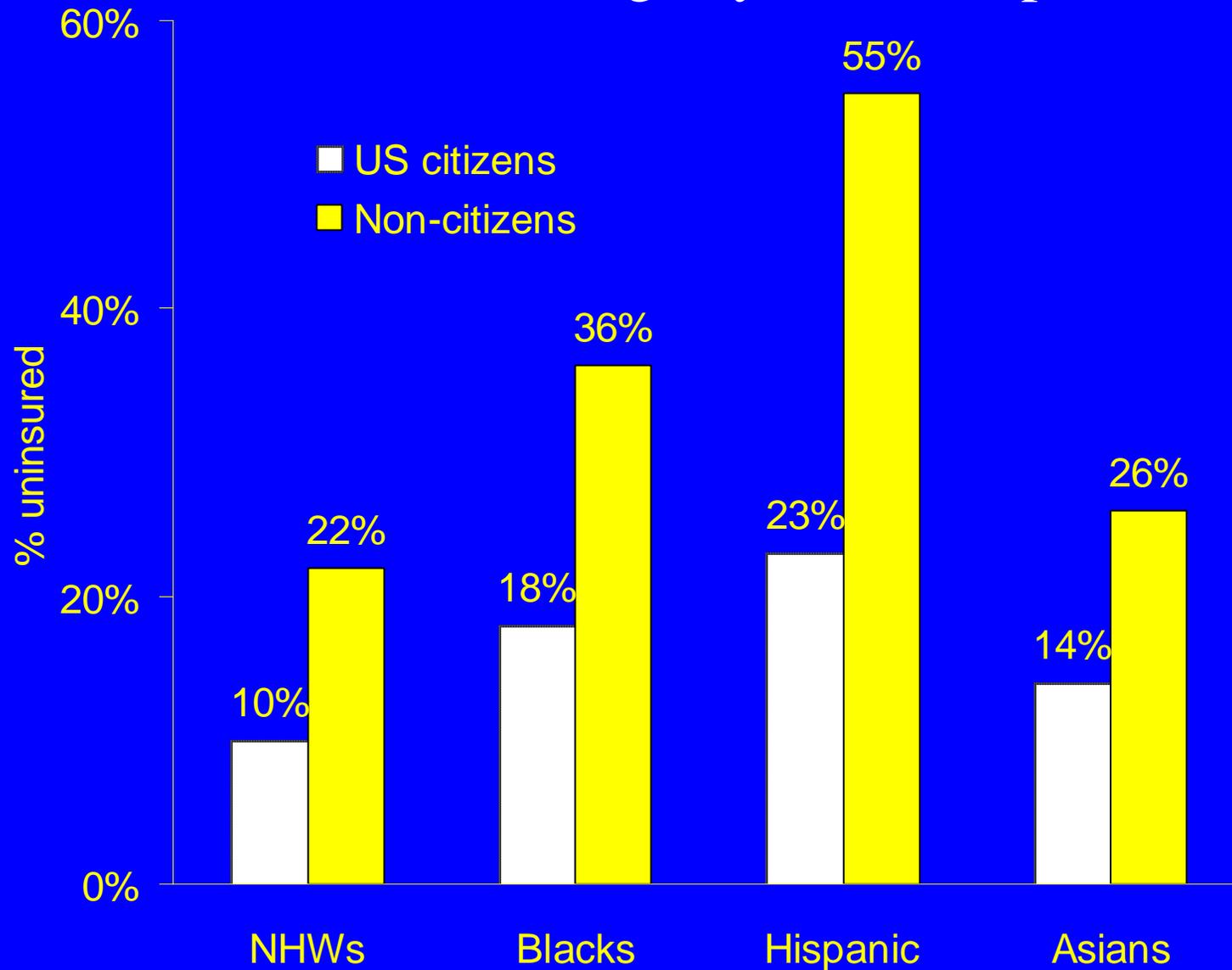
32.3 million

Immigrants accounted for 26% of uninsured in US

A.5504-A – Patient's Bill of Rights

- In 2002 I introduced this bill which would ensure that immediate hospitalization is given to any person in need regardless of legal status, as well as to inform patients of their rights through the posting of “Patient's Bills of Rights” in such circumstances
- This bill passed the Assembly this past February

Racial/ethnic disparities in insurance coverage by citizenship status



Country	% Unins.	Country	% Unins.
Mexico	53%	Vietnam	23%
Guatemala	52%	China	21%
El Salvador	48%	India	16%
Haiti	33%	Philippines	12%
Dom Rep	32%	Germany	12%
Korea	25%	Italy	9%
Cuba	24%	England	9%

The Latino Uninsured: Failure of the Private Sector

	Hispanics	Blacks	NHW
Employer Provided¹	43%	54%	70%
Government Insurance	26%	31%	24%
Medicaid ²	18%	21%	7%

Source: Analysis of March 2002CPS Data

Health insurance among Latino Sub-Groups

Hisp Sub-Group	% with Employer Insurance	% With Gov. Insurance	% Uninsured
Mexicans	41%	23%	36%
PR	47%	38%	18%
Cuban	47%	34%	19%
Dominican	38%	41%	26%

Why the Uninsured: Failure of the private sector

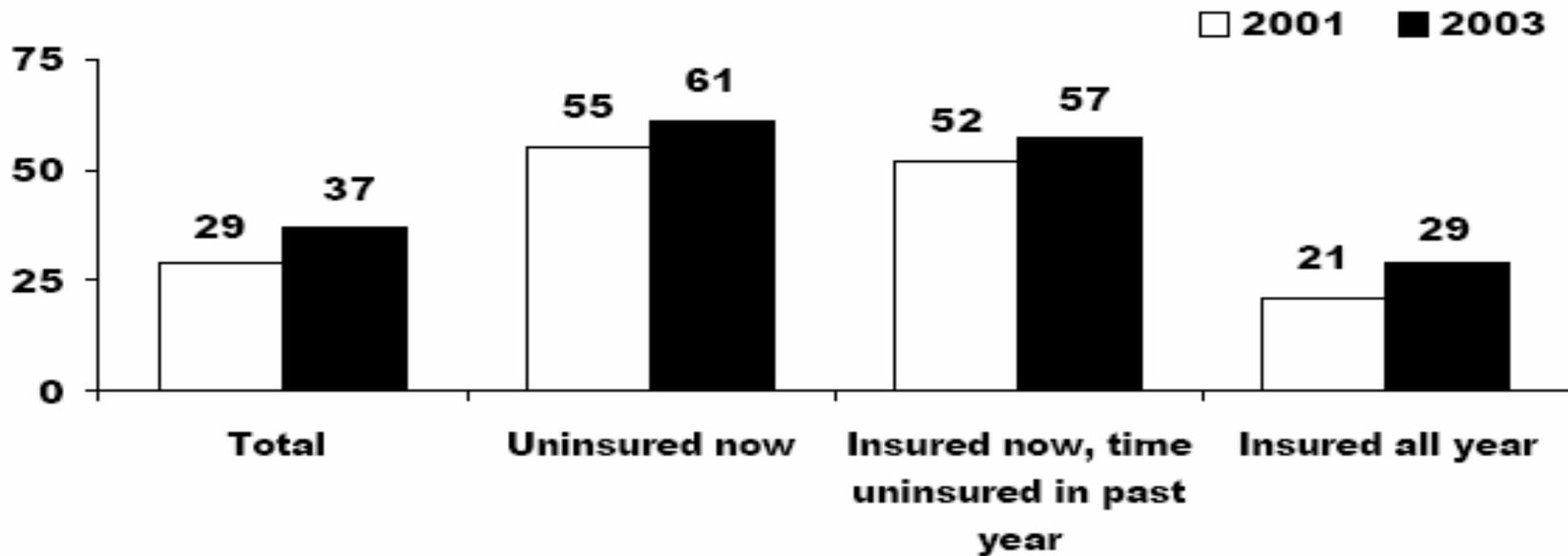
- 61% of Hispanics work for an employer who offers coverage vs 89% of NHWs
- Insurance take-up rate for Hispanics same as NHWs at 82%
- Reasons for not having insurance among working Hispanics
 - 75% not offered by employer
 - 16% part time /do not qualify
 - 8% premiums too expensive
 - 1% did not feel insurance important
- Types of occupation
 - lower-income occupations
 - small businesses, service sector, agriculture

The Underinsured

Chart ES-3

Cost-Related Access Problems Have Increased, 2001-2003

Percent of adults ages 19-64 who had any of four access problems* in past year because of cost



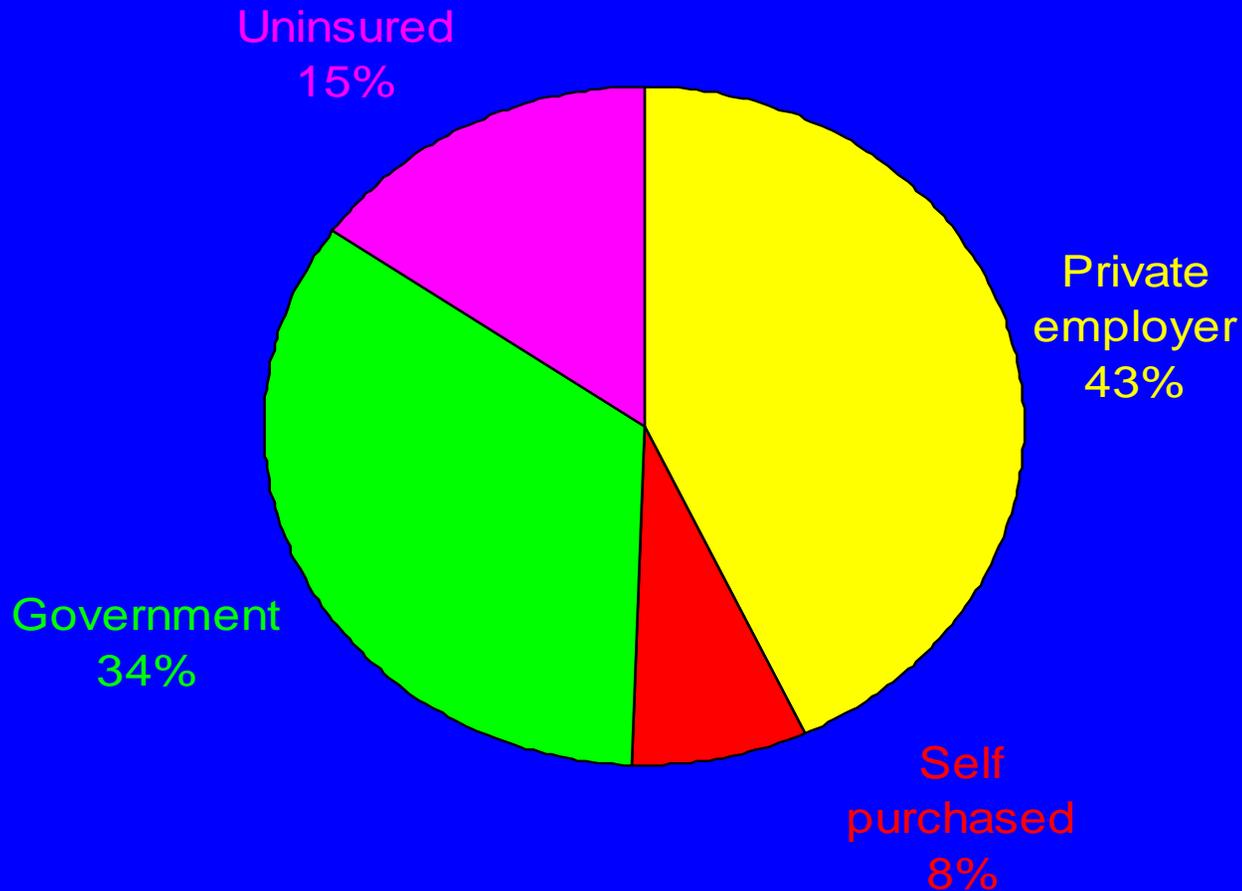
* Did not fill a prescription; did not see a specialist when needed; skipped recommended medical test, treatment, or follow-up; had a medical problem but did not visit doctor or clinic.

Source: The Commonwealth Fund Health Insurance Surveys (2001 and 2003).

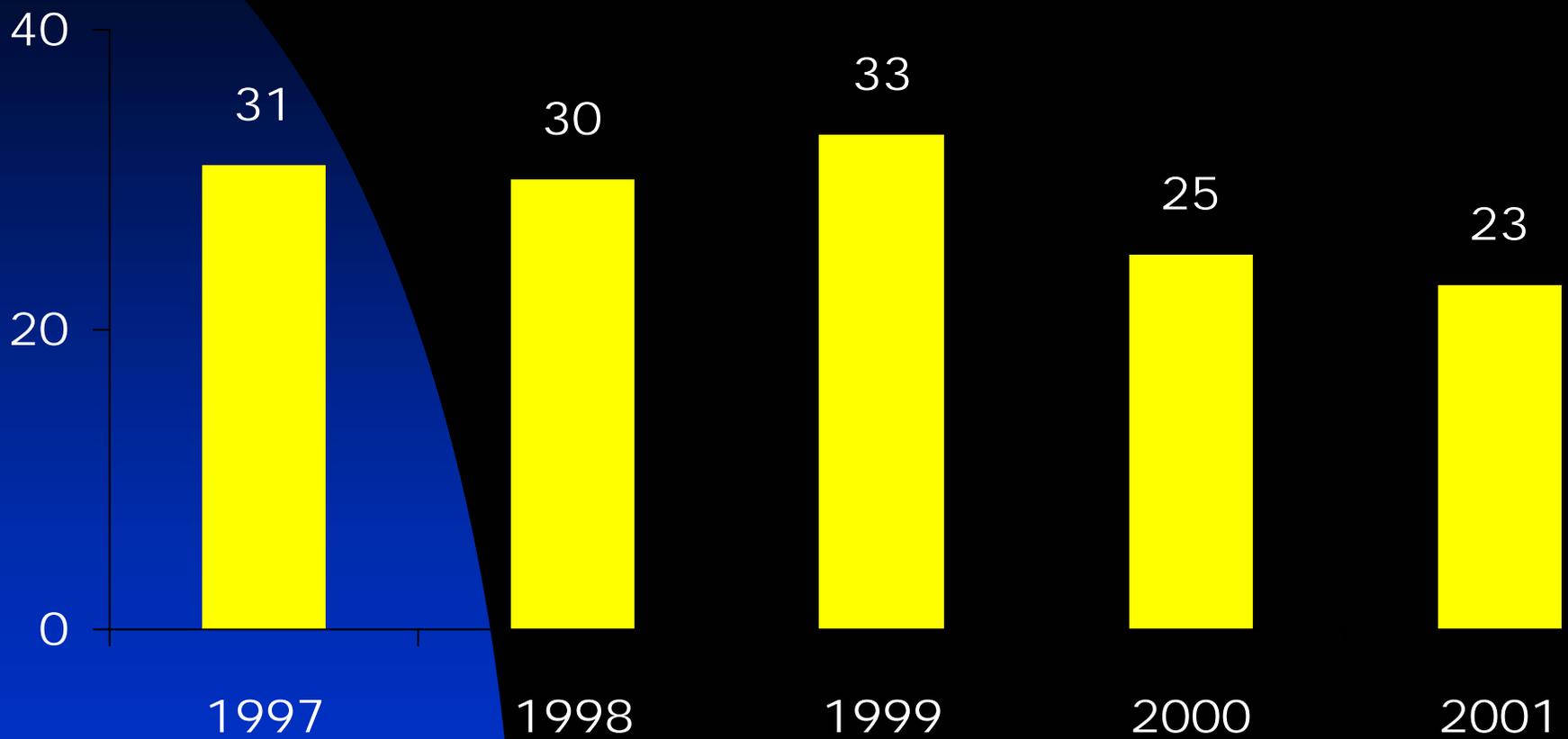
16 million underinsured in 2003, Health Affairs June 2005

Most people have private coverage

Revised Estimates of Health Insurance Coverage in the United States



Percentage of All Firms with 200 or More Workers that Offer Retiree Health Benefits to Medicare Age Retirees



Source: *Erosion of Private Health Insurance Coverage for Retirees: Findings from the 2000 and 2001 Retiree Health and Prescription Drug Coverage Survey.* Kaiser/Commonwealth/HRET, April 2002.

How to cut health costs

- Decrease Administrative Waste
- Cut CEO salaries

How much does it cost to cover the uninsured???

EXHIBIT 4

Simulated Total Spending Under Two Alternative Insurance Approaches, By Baseline Insurance Status, Billions Of 2001 Dollars

Insurance status	Baseline spending ^a	Simulated spending			
		"Average" private coverage		"Average" public coverage	
		Total	Change in spending	Total	Change in spending
All uninsured	\$98.9	\$167.6	\$68.7 (69.5%)	\$132.8	\$33.9 (34.3%)
Full-year uninsured	40.6	86.7	46.1 (113.5%)	67.6	27.0 (66.5%)
Part-year uninsured	58.3	80.9	22.6 (38.8%)	65.2	6.9 (11.8%)

SOURCE: Authors' calculations from the 1996–1998 Medical Expenditure Panel Surveys.

^a Includes uncompensated care; see J. Hadley and J. Holahan, "How Much Medical Care Do the Uninsured Use, and Who Pays for It?" 12 February 2003, www.healthaffairs.org/WebExclusives/Hadley_Web_Excl_021203.htm.

Principal Findings

- Rates of uninsurance among low-wage workers are highest among Hispanics and Asians. Of particular concern, some 57% of Hispanic low-wage workers lack health insurance.
- Over 2/3 of uninsured low-wage workers are employed in the retail or service industries or in sales and service occupations in other industries.
- Job-based coverage for low-wage workers has eroded, falling over 1.5 percentage points in New York City just since the late 1990s.
- Taxpayers and providers in New York City pay an estimated \$612 million each year for health care services provided to uninsured and publicly insured working New Yorkers and their families. Of this, \$466 million is for low-wage workers and their families.

Healthy New York Legislation End of Session Specials:

- A.2124 Ortiz- Perfect for the whole family!
- (Requires all accident and health insurance policies to provide coverage of medical nutrition therapy; defines medical nutrition therapy to mean the nutritional diagnostic, therapy, and counseling services for the purpose of disease management which are furnished by a dietician or nutrition professional)

A.2165 Ortiz/S.3708 Flanagan-The kids will love it!

- (Provides for required physical instruction in physical education in elementary and secondary schools; requires that the regents shall include in its rules that students in elementary schools shall participate in physical education for a minimum of one hundred fifty minutes during each school week, and that students in secondary schools shall participate for at least two hundred twenty-five minutes per week)

A. 2167A Ortiz-This is a favorite in Illinois!

- (Requires a risk analysis for diabetes and if necessary a test for diabetes for all children admitted to public schools and periodically, thereafter)

A. 5664A Ortiz- When you need fast food, make good choices!

- (Requires certain restaurants and food establishments to post caloric value, carbohydrate, fat and sodium content per serving)

A.6556 Ortiz- Some call it the "fat tax" .. Because it will melt the pounds away!

- (Imposes additional tax on certain food and drink items, and imposes a tax on video games, commercials, and movies; uses funding for Childhood Obesity Prevention Program)

A. 5763 Ortiz- A favorite in Arkansas and other states!

- (Requires schools to implement a method to measure, report, and analyze the body mass index of its students)

What We Can Do

■ Research!!!!

- ◆ Myth busting
- ◆ Trends in insurance coverage
Repeal of anti-immigrant legislation
 - ★ How many does it affect
 - ★ How much does it cost to cover immigrants
- ◆ Prove health insurance makes a difference for Latinos / immigrants