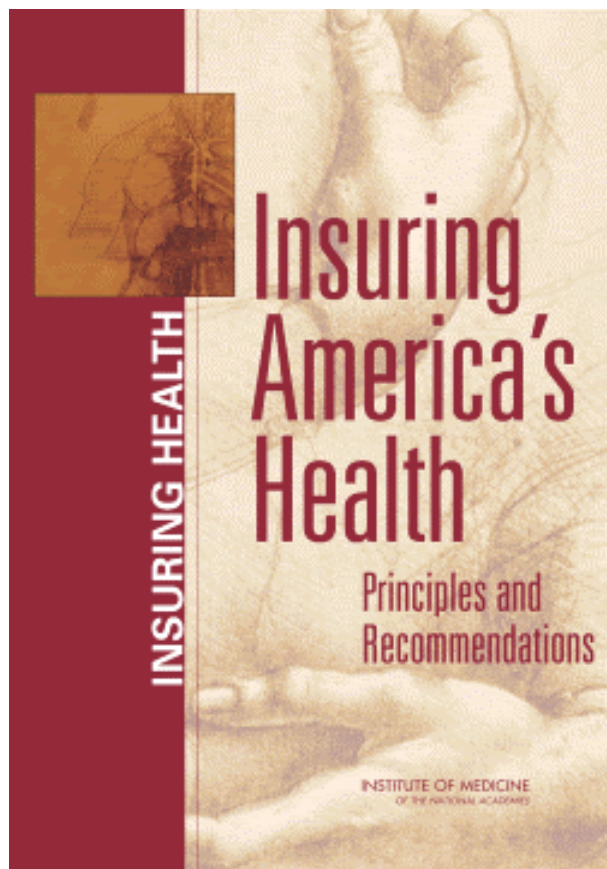




Insuring America's Health: Principles and Recommendations



Committee on the Consequences of
Uninsurance

Board of Health Care Services

Insuring America's Health

- Calls on Congress and the President to implement universal coverage by 2010.
- Provides principles to guide policy reform.

Committee Objectives

- 1. To assess and consolidate evidence about the health, economic & social consequences of uninsurance.**
- 2. To raise awareness and improve understanding by both the general public and policy makers.**

Series: Insuring Health

- ***Coverage Matters* (Oct 2001)** presented an overview of insurance and health care.
- ***Care Without Coverage* (May 2002)** documented the health impacts for adults of lacking coverage.
- ***Health Insurance Is a Family Matter* (September 2002)** identified health and financial consequences of the lack of coverage for families.

- ***A Shared Destiny*** (March 2003) traced the effects of uninsured populations on communities' health services and economic and social vitality.
- ***Hidden Costs, Value Lost*** (June 2003) explores the economic and social effects of uninsurance at the national level.

Coverage Matters

- **Most people who lack coverage (80 percent) live in working families.**
- **Young adults are more likely to be uninsured primarily because they are ineligible for workplace coverage.**
- **Being uninsured is most often not a choice; health insurance is unaffordable for most who lack it.**

Care Without Coverage: Too Little, Too Late

- **Health insurance contributes independently to improved health status and outcomes.**
- **Uninsured adults have a higher risk of premature death than do their insured counterparts.**
- **Uninsured adults receive fewer preventive services, less care for chronic illness, and poorer hospital-based care.**
- **18,000 people die annually from lack of coverage.**

Health Insurance Is a Family Matter

- **The lack of coverage for even one family member can threaten the well-being of the family unit, including members with coverage.**
- **Children in uninsured families receive fewer medical, dental and preventive services.**
- **Children in families with an uninsured parent are less likely to receive appropriate care whether or not the child is uninsured.**

A Shared Destiny: Community Effects of Uninsurance

- **A community's high uninsured rate can adversely affect its health care institutions and providers, reducing access to services.**
- **The financial instability of health care institutions and providers can hurt local economies.**

In communities with high uninsured rates

- **Emergency medical services and trauma care, on-call specialty services, specialty referrals, and services for vulnerable populations are less available**
- **Rural hospitals have lower financial margins, fewer ICU beds, fewer psych inpatient and are services, less likely to offer high-tech services**

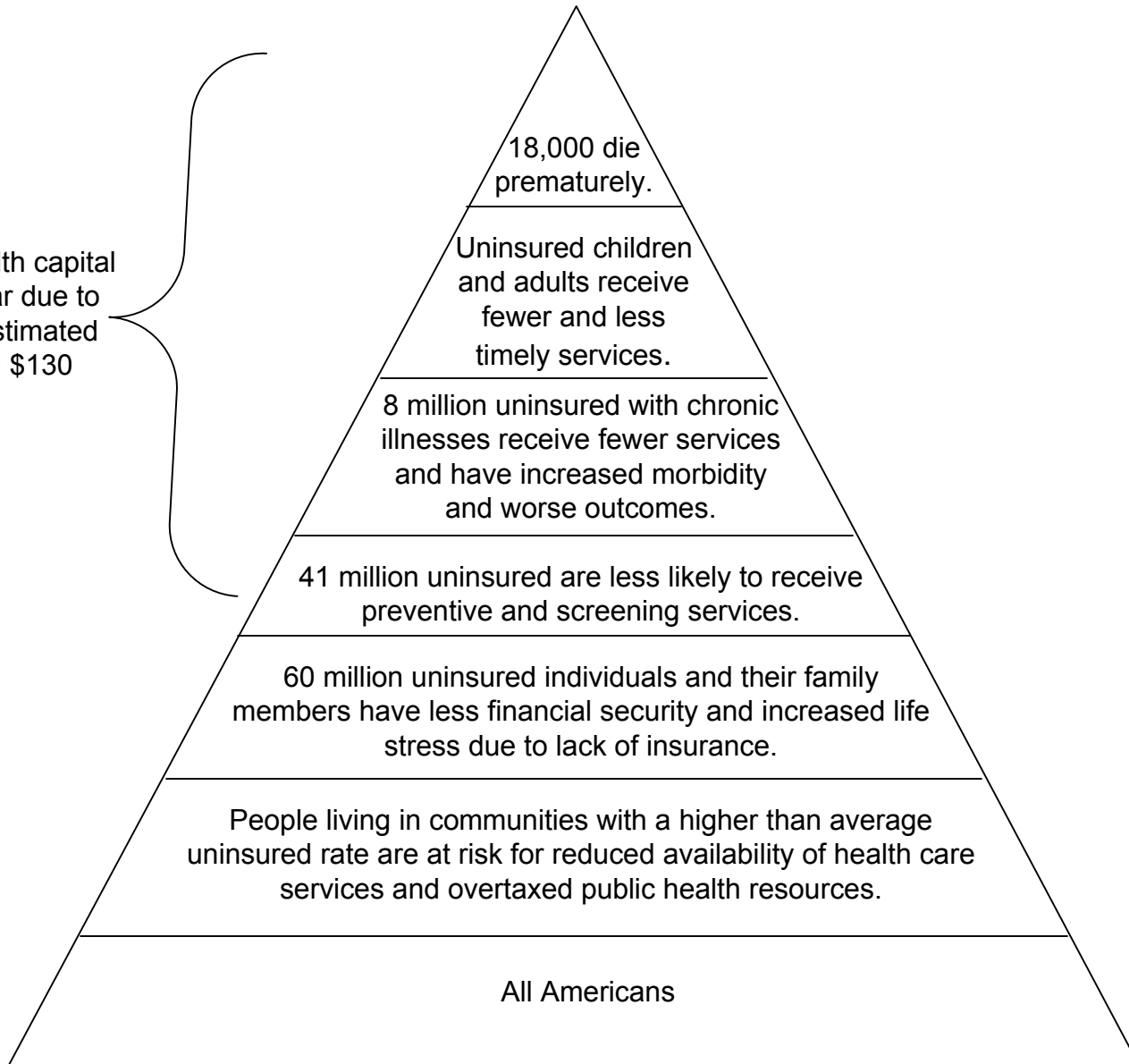
Community Health and Uninsurance

- **Diminished control of vaccine-preventable and other communicable diseases**
- **Weakened emergency preparedness**
- **Funding shortfalls for health department population-based public health activities**

Hidden Costs, Value Lost

- **Most of the costs of uninsurance are *not* health care costs.**
- **The greatest economic losses due to uninsurance result from worse health and shorter lives of those without coverage.**
- **The estimated annual economic value of forgone health of the 40 million uninsured is between \$65 billion and \$130 billion.**






The value of health capital forgone each year due to uninsurance is estimated between \$65 and \$130 billion



The Committee's final report:

- **Articulates principles that should guide policy reforms to achieve universal coverage**
- **Demonstrates how these principles can be applied to particular proposals for health reform**

Principles to Eliminate Uninsurance

-  **Health care coverage should be universal.**
-  **Health care coverage should be continuous.**
-  **Health care coverage should be affordable to individuals and families.**
-  **The health insurance strategy should be affordable and sustainable for society.**
-  **Health care coverage should enhance health and well-being by promoting access to high-quality care that is effective, efficient, safe, timely, patient-centered, and equitable.**

Principle 1: Universality.

- **The Committee's reports document the ill effects of uninsurance on the health and economic well-being of uninsured persons, their family, community and the whole society. Hence:**
- ***Everyone* should have coverage.**
- **This is the most important principle.**

Principle 2: Continuity.

- **Continuity of coverage promotes continuity of care, which improves quality and leads to better health.**
- **Discontinuities of coverage can result from job changes, new family circumstances, and administrative procedures of public programs.**

Principle 3: Affordability for individuals and families.

- **No one should be expected to contribute to their insurance so much that they cannot pay for the other basic necessities of life or afford access to health services.**
- **Patient cost sharing should not deter appropriate use by low incomes families.**

Principle 4: Affordability and sustainability for society.

- **Affordability will be determined through the political process and economic decisions made by individuals, families, and employers.**
- **Mechanisms will be needed to control inflation and use.**
- **The coverage strategy should strive for cost effectiveness, simplicity, and administrative efficiency.**

Principle 5: Enhance health and well-being.

- **Preventive and screening services, outpatient prescription drugs, and mental health treatment in addition to outpatient medical and hospital care facilitate appropriate care and better health.**
- **The best clinically relevant research evidence should be used to the extent feasible in defining benefit packages.**

Principles Applied to Prototypes to Extend Coverage

Four Prototypes:

- **Major public program expansion and new tax credit.**
- **Employer mandate, premium subsidy, and individual mandate.**
- **Individual mandate and tax credit.**
- **Single payer.**

Conclusions

- **We need a national and coherent strategy aimed at covering the entire population.**
- **Federal leadership and federal funds are necessary, but not necessarily federal administration or national uniformity.**
- **Any of the prototypes could better achieve the principles than the *status quo*.**

For More Information

Consequences of Uninsurance

Project website

www.iom.edu/uninsured