

# PRACTICE ALERT

Public health issues influencing your practice

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## The uninsured: You can make a difference

**F**amily physicians have always done what they can to care for those whose means of obtaining health care are inadequate. Such generosity has enriched, and literally saved, many persons' lives. Sadly, though, the number of US citizens unable to pay for health care is increasing, and individual physician goodwill will not solve the problem. A comprehensive solution is needed, and that depends on restoring health to the currently paralyzed national political process.

If you are inclined to become more involved in pursuing efforts to address the issue in political, social, and educational spheres, you will find help in this article, which summarizes the problem and reviews health policy options being considered and their implications for our patients. You will also find resources through which you can make your voice heard.

### ■ Scope of the problem

The US is the only country in the developed world without a national program for health insurance for all its citizens. Though we spend over \$1.7 trillion on health care, the number of uninsured people in 2004 was about 46 million, almost 16% of the population. In 2000, 40 million people (14%) were uninsured.<sup>1</sup>

Substantially larger numbers of people are uninsured for part of the year or are underinsured. For those under age 65 (which excludes the Medicare-insured population), 19% were uninsured, including 12% of children under 18.<sup>2</sup>

### ■ Who are the uninsured?

Common misconceptions are that uninsured persons are unemployed or don't want to purchase health insurance. In 2002, only 19% of those uninsured and under 65 lived in families in which no one worked. In fact, almost 70% of uninsured families had one or two adults working full time.<sup>3</sup> Viewed another way, of the 46 million uninsured Americans, more than 20 million are working adults.<sup>4</sup>

### ■ Why is the problem so large?

The vast size of the health care industry makes it difficult to change the way the system is organized and care is funded. Clearly, the high cost of health insurance is the key problem.

In 2004, the average annual cost of health insurance for an employed worker was \$9,950 for a family (\$3,695 for an individual).<sup>5</sup> As a consequence, small businesses either cannot afford to offer health insurance as a benefit or are forced to price it so high that workers cannot afford to buy it. In 2003, the cost of family insurance was 25% of the salary of a family earning 200% of the poverty level (\$37,000).

Even large employers look for ways to minimize their health coverage expenses by raising costs to employees or relying more on part-time workers who do not receive health benefits. The increasing number of uninsured working people underscores the failure of voluntary employer-based insurance to solve the uninsured problem.

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## ■ Torn safety nets, bankruptcy, morbidity, premature death

In reports between 2001 and 2004, the Institute of Medicine (IOM) described the effects of lack of insurance on personal and community health in the US, and suggested principles for addressing the issue. Persons without insurance delay care for acute problems, neglect to get adequate care for chronic diseases (including physician visits and medications), and forgo preventive care. The consequences of these actions are increased morbidity and mortality. IOM estimated there were 18,000 premature deaths in 2000 due to a lack of insurance.<sup>6</sup>

These findings challenge another myth: that the uninsured can get timely and necessary care from a combination of private and safety-net providers. This is just not true. In addition, the burdens of being uninsured fall more heavily on minorities, exacerbating the health disparities between them and the majority white population.

Besides adverse health effects, lack of adequate health insurance has negative personal and national financial consequences. In 2001, medical problems contributed to half of all bankruptcies, usually affecting middle-class people who had experienced a lapse in their health insurance coverage or who were underinsured.<sup>7</sup>

Furthermore, the number of uninsured adds to the cost of insurance for the insured. A study by Families USA found that uncompensated health care costs of \$43 billion are provided to the uninsured. This translates into higher premium rates for those who have employer-based insurance—an average nationally of \$922 for family coverage with 6 states having premiums over \$1500 higher due to the unreimbursed cost of care for the uninsured.<sup>8</sup>

## ■ Workable solutions

The uninsured dilemma raises issues of values and implementation.

**Values.** Do Americans believe that health care and the health insurance necessary to obtain it is a basic human right? Or do we believe people are personally respon-

sible for paying for their health costs? Do we believe that government is a key to solving the uninsured problem, or is government part of the problem? Would we be willing to pay more money (ie, taxes) if that would solve the problem?<sup>9</sup>

**Possible solutions.** Practical issues are whether to increase the role of government or the private sector, to require employers to offer health insurance to those under 65, to make individuals more responsible in funding their own care, or to apply some combination of all of these. Always, there is the issue of how to control costs.

In past proposals to address the problem, employers were required to offer all workers affordable insurance. So-called employer mandates have been resisted by conservatives and small business owners, who say they place an undue burden on employers. They also fail to help the unemployed and part-time workers. Efforts at this strategy have all failed (Nixon, Carter, Clinton), suggesting this is not the way to go. Other proposals have been made.

**The market solution espoused by the Bush Administration** is a combination of high-deductible policies and health savings accounts (see “Consumer-directed health care: One step forward, two steps back?,” *J Fam Pract* 2005; 54[3]:212). The premise of consumer-driven care is that patients who pay more of the true cost of their care will become more prudent purchasers of health services.

Critics argue that increasing out-of-pocket costs (deductibles and co-pays) acts as a deterrent to seeking appropriate care, particularly for the less well off; that wealthy and healthy people will purchase these policies, thus increasing the costs of caring for those left in the traditional insurance system; and that such a system preserves the inefficient and wasteful private insurance industry.

**Government as the single payer, not employer, of health care.** Proponents argue that administrative cost savings in such a system (no or minimal private health insurance) will more than cover the cost of care for the uninsured.

### FAST TRACK

**The number of uninsured adds to the cost of insurance for those who are insured—an national average of \$922 per family**

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### Web resources

**W**eb resources for information on the uninsured and other health policy topics:

*Kaiser Family Foundation:* [www.kff.org](http://www.kff.org)

*Cover the Uninsured campaign:* [www.covertheuninsured.org](http://www.covertheuninsured.org)

*Health policy for students and faculty:* [www.KaiserEdu.org](http://www.KaiserEdu.org)

*Physicians for a National Health Plan (single-payer advocates):* [www.pnhp.org](http://www.pnhp.org)

Opponents of this idea argue it will lead to long lines for specialty care (read: Britain and Canada) and stifle innovation. Considering the US spends almost 50% more of its GDP on health care than does Canada and almost double what Britain spends, it seems unlikely our experience will parallel those countries. Ironically, in a system such as Canada's, where most care is delivered by private practice physicians, there is almost certainly less administrative burden on physicians than they currently experience in the US.

**A system of health care vouchers** as recently proposed by Emanuel and Fuchs. Their plan would preserve the private insurance system, phase out Medicare, Medicaid, and employer-based insurance, include Federal oversight of the benefit package and technology assessment, and be funded by an earmarked value-added tax. It attempts to achieve administrative savings and a more equitable system of care, while not challenging the current substantial role of the private insurance sector.<sup>10</sup>

**Improving the quality of care** as a way to achieve better patient outcomes and save money. The recent increase in chronic disease management programs and pay-for-performance plans (see "Pay-for-performance: What can you expect?", *J Fam Pract* 2005; 54[7]:609) exemplify this effort. Certainly, efforts at improving care quality are worthwhile as our health system has too much practice variability as well as over- and underutilization of care. However, it is difficult to believe that such efforts will control costs enough to allow for the expansion of health insurance rates.

### ■ Where to go from here

Given past failures at expanding health care to all, many observers are resigned to the incrementalist approach such as expanding small business insurance by pooling risk, perhaps controlling costs through consumer-driven care and pay-for-performance programs, and dealing more effectively with malpractice problems (high premiums and defensive medicine). Most would agree, however, that such efforts will not make a serious dent in the uninsured problem.

The continual increase in the number of uninsured in a country as wealthy as ours is a national tragedy and is tremendously frustrating, particularly for family physicians who constantly see the negative health effects. Physicians need to become better informed about health policy and its implications for our patients and more actively work in political, social, and educational spheres to help move the political process out of its current paralysis to address the uninsured problem.

For information on the uninsured and other health policy topics, and for adding your voice to the debate, see **Web resources**. ■

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### FAST TRACK

**It is difficult to believe that improving quality of care will control costs enough to allow for expansion of health insurance coverage**