



American Public Health Association

Working for a Healthier World

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March 14, 2007

The Honorable Max Baucus
Chairman
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Charles Grassley
Ranking Member
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

Dear Senators:

On behalf of the American Public Health Association (APHA), the oldest, largest and most diverse organization of public health professionals in the world, dedicated to protecting all Americans, their families and communities from preventable, serious health threats and assuring community-based health promotion and disease prevention activities and preventive health services are universally accessible in the United States, please accept the attached document as testimony for the record for the hearing “Charting a Course for Health Care Reform: Moving Toward Universal Coverage” held March 14, 2007.

Thank you for your attention to and leadership on this important public health issue. We look forward to working with the Senate Finance Committee as it considers legislation related to universal coverage and health care reform. If you have questions, or for additional information, please contact me or have your staffs contact Courtney Perlino at (202) 777-2436 or courtney.perlino@apha.org.

Sincerely,

Georges C. Benjamin, MD, FACP, FACEP (Emeritus)
Executive Director

The American Public Health Association (APHA) is the oldest, largest and most diverse organization of public health professionals in the world, dedicated to protecting all Americans, their families and communities from preventable, serious health threats and assuring community-based health promotion and disease prevention activities and preventive health services are universally accessible in the United States.

For over 130 years, APHA has been at the forefront of numerous efforts to prevent disease and promote health. Since 1950, APHA has vigorously supported and promoted the concept of universal health care for all Americans. APHA is committed to the policy that all individuals in the United States deserve unencumbered access to quality health care services, regardless of race, gender, financial status and/or geographical location. We share your views that, with approximately 46 million Americans who are uninsured, the status quo is no longer acceptable. Increasing access to affordable health care needs to be multifaceted in nature—addressing both the public and private sectors and the rising costs overall as well as the costs to the individual. In addition, measures must be implemented to move the system toward preventing disease when possible and providing illness care in the most efficient and effective manner.

Portrait of the Uninsured

Two-thirds of the uninsured are from low-income households. Adults comprise eighty percent of the uninsured. In addition, there are more than 9 million children who lack health insurance coverage. There are also racial and ethnic disparities in rates of health insurance coverage. While thirteen percent of whites are uninsured, the problem is much more severe for the Native American and Hispanic populations, with one of three members of these populations finding themselves in the ranks of the uninsured. In addition, approximately one in five African Americans and Asian Americans is uninsured.

Although the non-elderly in this country primarily access health insurance through their employer, employers cannot be counted on to provide health insurance in the long-term, with employer-sponsored insurance becoming increasingly unaffordable. In fact, eight in 10 of the uninsured come from working families. Nearly 90 percent of uninsured children come from families where at least one parent works. It is therefore clear that people in working families are falling through the cracks, not able to access employer-sponsored insurance (ESI), and either not eligible for or aware of coverage available through Medicaid and the State Children's Health Insurance Program (SCHIP).

Why We Need to Cover the Uninsured

Accepting the inadequacies of our nation's current system of health insurance coverage is no longer an option. We all know that not doing anything to solve this problem is expensive, and leads to poor health outcomes. Total annual medical care expenditures for the uninsured are roughly \$125 billion per year. Annual costs associated with uncompensated care are more than \$40 billion and comprise roughly 3 percent of national spending for personal health services. The costs of uncompensated care are borne by the public sector—federal, state and local governments pay for roughly 85 percent of uncompensated care. In fact, if all uninsured individuals gained coverage, the estimated cost of their increased use of services—roughly \$50 billion—is half the annual economic value of the foregone health of the population—more than \$100 billion.

There is strong data showing that not having health insurance coverage leads to poor health outcomes. 18,000 excess deaths among people younger than 65 per year are attributed to lack of insurance coverage. Diabetes and stroke each account for a comparable number of deaths in this age group every year. Uninsured adults have a 25 percent greater risk of dying than adults with coverage. On the whole, people who are uninsured receive less care and experience poorer health outcomes following an accident or the onset of a new chronic condition than the insured population. Uninsured adults have higher rates of death resulting from hospitalizations when compared to insured individuals. Uninsured women with breast cancer have a 30 to 50 percent higher risk of dying than insured women. Uninsured pregnant women are less likely to go to the doctor before giving birth, which results in higher rates of infant mortality and more low-birth weight babies.

For kids, the effects of being uninsured are staggering. Uninsured children are more than three times less likely than insured children to have seen a doctor in the past year. Children who are uninsured have a higher incidence of preventable disease than those who are insured. Uninsured children are more likely to have common speech, hearing and behavioral problems that are common but treated within the privately insured population. Uninsured children who are asthmatic experience higher rates of hospitalization and use of emergency health services. Children without insurance have difficulty accessing specialty care, which is vitally important for children with chronic conditions or disabilities. Uninsured children are five times more likely than insured children to have an unmet dental need, which oftentimes causes children to be underweight and have poorer school attendance rates—ultimately impacting their parents’ ability to go to work.

Covering All Kids: An Essential First Step

Although tackling the big-picture problem of the uninsured is going to take some time, and compromise, Congress can take a vital step to universal coverage this year by making strides to cover all children in the United States, taking advantage of the reality that 75 percent of uninsured children are currently eligible for but not enrolled in Medicaid or the State Children’s Health Insurance program. As SCHIP is up for reauthorization this year, the Senate Finance Committee needs to prioritize the importance of covering uninsured kids and fully fund and improve SCHIP and Medicaid. States need ample dollars to cover all children eligible for Medicaid or SCHIP, and should be given financial incentives for covering more uninsured kids in their Medicaid and SCHIP programs. In addition to providing ample funding and financial incentives to states to cover all children eligible for but not enrolled in SCHIP and Medicaid, SCHIP reauthorization needs to address the quality and adequacy of the health coverage that children in SCHIP have and make changes that are necessary to ensure that they have a comprehensive, prevention-focused benefits package. Ultimately, the SCHIP reauthorization and congressional budget processes need to address include the following policy and legislative recommendations:

- Provide at least \$60 billion in new funds over five years for SCHIP reauthorization. This amount would be enough to cover all current enrollees, enroll most children currently eligible for but not enrolled in SCHIP and Medicaid and provide coverage to pregnant women and legal immigrant pregnant women and children.
- Strengthen the federal standard for SCHIP benefits packages to make it comparable to the Medicaid benefits package, which includes coverage of Early and Periodic Screening, Diagnosis and Treatment (EPSDT) services.

- Provide adequate funding and give states the option to cover pregnant women and legal immigrant pregnant women and children in their SCHIP programs.
- Make revisions to federal law to give states the flexibility to deem children eligible for and enroll them in SCHIP or Medicaid based on information from other means-tested programs, such as the Special Supplemental Nutrition Program for Women, Infants, and Children and the National School Lunch Program.
- Allow states the flexibility to determine the citizenship status of SCHIP and Medicaid applicants.

A Framework for Universal Coverage

In the long term, we must ensure that all Americans have access to and are enrolled in an effective and efficient program for coverage. APHA believes that any proposals aimed at achieving universal coverage must be evaluated against the following criteria:

- **Costs of Health Care.** Will the proposal make health care more affordable for Americans? Will the proposal cause individuals to forego care because of insurmountable out-of-pocket expenses? The policy goal should be to reduce the growth of health care costs over time to make health care affordable.
- **Quality of Health Care.** Will the proposal reduce or eliminate disparities in health outcomes and care, curtail medical errors and otherwise ensure that Americans have access to the best medical care available? The evidence is clear that many in our nation, particularly racial and ethnic minorities, women, low-income Americans and those living in rural areas, receive a lower quality of health care with higher rates of illness, disability and premature death. The policy goal should be to improve the quality of care for all.
- **Access to Health Care.** Will the proposal cause some currently uninsured individuals to become insured or cause the number of uninsured and underinsured individuals to rise? Will it slow the erosion of employer-sponsored coverage by making such coverage more affordable to both employers and employees? Will the proposal negatively affect individuals who are currently and adequately insured through other mechanisms? The policy goal should be to ensure health care coverage for all.
- **Health Infrastructure.** Does the proposal address the weaknesses that stem from an eroding public health infrastructure? Does it address the growing work force shortages in health and public health practitioners, such as public health nurses, laboratory scientists and technicians, public health physicians and epidemiologists? There are tremendous health information and technology infrastructure needs. The policy goal should move the health and public health systems into the modern information age to allow for improved data-driven decision-making. It should also support efforts to rebuild the pipeline for health and public health workers.
- **Emphasis on Prevention.** How much does our health care system focus on the front end – preventing disease, injury and death – rather than treating the more costly symptoms on the back end? APHA supports policies that encourage evidence-based preventive health services. The policy goals should change the focus of the system towards prevention, which is cheaper and more cost-effective.

Mr. Chairman and members of the Committee, I thank you for this opportunity to submit this statement about one of the most important public health issues facing our nation. On behalf of the American Public Health Association, I look forward to working with you to ensure universal health care coverage for all Americans.